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**VOLUME 1**

# U.S. Department of Agriculture

## 1991 BUDGET EXPLANATORY NOTES FOR COMMITTEE ON APPROPRIATIONS

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Office of the Secretary  
Departmental Administration  
Office of Public Affairs  
Office of the Inspector General  
Office of Budget and Program Analysis  
Office of the General Counsel

Agricultural Research Service  
Cooperative State Research Service  
Extension Service  
National Agricultural Library  
Soil Conservation Service

Rural Electrification Administration  
Federal Crop Insurance Corporation  
Farmers Home Administration





## PREFACE

### Project Statements

The obligations shown in the Project Statements are based on the appropriations and activities proposed in the 1991 budget estimates. In some Project Statements the activities are further divided into subcategories, reflecting a more detailed description of the work conducted under the appropriation items.

In those accounts where prior year balances are also available for obligation during the year, such amounts are shown in a separate Project Statement.

The amounts shown in Project Statements for the past year are taken directly from the accounting records to the maximum extent possible. Where the Department has adjusted obligations after Treasury has closed the books for the year, we have shown our most current estimate. These adjustments will be picked up by Treasury in subsequent reports.

### Statement of Available Funds and Staff-Years

A statement is included for each agency, immediately following the introductory purpose statement, to reflect all sources of funds available to the agency and to show the staff-years related to each source of funds.

These statements reflect the best available information at the time these Explanatory Notes were prepared (January 1990). However, it is not possible in many instances to determine in advance the extent to which agencies may be requested to perform additional services for other Federal and non-Federal agencies or organizations. Therefore, amounts of actual reimbursements and other funds received from sources other than appropriations directly to the agency may vary from those shown in the statements.

In those cases where the funds are not appropriated (reimbursements, trust funds, transfers, revolving funds, etc.), the dollar amounts shown represent actual or estimated Obligations for the year.

In some instances there may be duplication of amounts shown. This results largely from cases involving reimbursements between different agencies within the Department and where amounts are paid from appropriations to the Working Capital Fund. There is no duplication of the staff-years shown.

### Classification by Objects

A statement is included for each agency showing total obligations by Object Classification for the agency. Obligations for personnel compensation are also broken between headquarters and field.

### Loan Levels

Knowledge of the following basic budget terminology will assist the reader in understanding the budget proposals.

"Direct" loans involve the Federal government disbursing the money to the borrower and receiving the money back from the borrower in regular installments in future years. The Federal agency having responsibility for administering the credit program must counsel prospective borrowers on eligibility criteria and application procedures, evaluate applicant's eligibility and ability to repay, perform the administrative procedures to process the application, make and record the loan payment, receive and record the receipts for repayment, calculate the interest and remaining balance status, monitor the regularity of payments, follow up on delinquent status, and, where necessary, institute legal action to eliminate or minimize the loss to the Federal government in the event of the borrower's default on the loan.

For international trade "Credit Sales", the same basic process is involved except that the disbursement of the cash loan is replaced by the disbursement of cash to purchase and ship the commodities being exported to the foreign country involved.

Loan "Guarantees" involves the Federal government actually guaranteeing a private lending institution that a stipulated portion of a borrower's loan will be repaid. The Federal government does not disburse or receive funds involved in the loan and repayment between the lending institution and the borrower. If the borrower defaults on the loan, the Federal government would have to disburse to the lending institution the portion of the borrower's unpaid balance representing the amount of the Federal guarantee. The Federal agency having responsibility for administering the credit program must counsel prospective borrowers on eligibility criteria and application procedures, evaluate applicant's eligibility and ability to pay, counsel and assist the borrower in arranging the loan with the lending institution, perform administrative procedures necessary to record the loan guarantee transaction, maintain liaison with the lending institutions to keep informed of the status of loan repayments, follow up on seriously delinquent status, and, where necessary, institute legal action to eliminate or minimize the loss of the Federal government in the event of the borrower's default on the loan. The Rural Electrification Administration (REA), however, guarantees loans made by the Federal Financing Bank. Because REA is guaranteeing loans made by another Federal agency, the transaction more closely resembles an insured loan.

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## OFFICE OF THE SECRETARY

PURPOSE STATEMENT

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and members of Congress on all matters pertaining to Agriculture policy.

The Board of Contract Appeals is a reimbursable activity in the Office of the Secretary. It is the authorized representative of the Secretary of Agriculture to make final administrative determinations for the Department of Agriculture in appeals handled under the Secretary's regulations.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201-2202). The delegation of regulatory functions to the Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c-450g.

Except for one employee, everyone in the Secretary's Office and the staffs financed from this appropriation are located in Washington, D.C. As of September 30, 1989, there were 90 employees. Of this total, 73 were full-time permanent and 17 were other than full-time permanent employees.



## OFFICE OF THE SECRETARY

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                         | 1989         |       | 1990         |       | 1991         |       |
|------------------------------|--------------|-------|--------------|-------|--------------|-------|
|                              | Actual       | Staff | Estimated    | Staff | Estimated    | Staff |
|                              | Amount       | Years | Amount       | Years | Amount       | Years |
| Direct Appropriation....     | \$6,400,000: | 76    | \$7,294,000: | 82    | \$7,786,000: | 84    |
| Obligations Under Other:     |              |       |              |       |              |       |
| <u>USDA /Appropriations:</u> |              |       |              |       |              |       |
| Board of Contract            |              |       |              |       |              |       |
| Appeals.....                 | 849,000:     | 10    | 899,000:     | 10    | 968,000:     | 10    |
| Forest Service.....          | 85,000:      | 1     | 90,000:      | 1     | 93,000:      | 1     |
| FCIC Commission.....         | 600,000:     | --    | 900,000:     | --    | --:          | --    |
| Miscellaneous                |              |       |              |       |              |       |
| Reimbursements.....          | 28,000:      | --    | --:          | --    | --:          | --    |
| Total, Other USDA            |              |       |              |       |              |       |
| Appropriations.....          | 1,562,000:   | 11    | 1,889,000:   | 11    | 1,061,000:   | 11    |
| Total, Office of the         |              |       |              |       |              |       |
| Secretary.....               | 7,962,000:   | 87    | 9,183,000:   | 93    | 8,847,000:   | 95    |

Full-time Equivalent  
Staff-Years:

|                  | 1989<br><u>Actual</u> | 1990<br><u>Estimated</u> | 1991<br><u>Estimated</u> |
|------------------|-----------------------|--------------------------|--------------------------|
| Ceiling.....     | 87                    | 93                       | 95                       |
| Non-Ceiling..... | 1                     | 4                        | 4                        |
| Total.....       | 88                    | 97                       | 99                       |

## OFFICE OF THE SECRETARY

Permanent Positions by Grade and Staff-Year Summary1989 and Estimated 1990 and 1991

| Grade                     | 1989         | 1990         | 1991         |
|---------------------------|--------------|--------------|--------------|
|                           | Headquarters | Headquarters | Headquarters |
| Executive Level I         | 1            | 1            | 1            |
| Executive Level II        | 1            | 1            | 1            |
| Executive Level III       | 2            | 2            | 2            |
| Executive Level IV        | 7            | 7            | 7            |
| ES-6.....                 | 5            | 7            | 7            |
| ES-5.....                 | 2            | 2            | 2            |
| ES-4.....                 | 2            | 2            | 2            |
| ES-3.....                 | 1            | 1            | 1            |
| ES-2.....                 | 0            | 2            | 2            |
| ES-1.....                 | 5            | 2            | 3            |
| GS/GM-18.....             | 1            | 1            | 1            |
| GS/GM-17.....             | 1            | 1            | 1            |
| GS/GM-16.....             | 3            | 3            | 3            |
| GS-15.....                | 7            | 12           | 12           |
| GS-14.....                | 4            | 6            | 7            |
| GS-13.....                | 5            | 7            | 6            |
| GS-12.....                | 5            | 7            | 7            |
| GS-11.....                | 3            | 6            | 6            |
| GS-10.....                | 4            | 6            | 6            |
| GS-9.....                 | 4            | 7            | 7            |
| GS-8.....                 | 5            | 7            | 7            |
| GS-7.....                 | 2            | 1            | 1            |
| GS-6.....                 | 0            | 1            | 1            |
| GS-5.....                 | 1            | 0            | 0            |
| GS-1.....                 | 0            | 0            | 0            |
| Ungraded Positions        | 2            | 1            | 2            |
| Total Permanent Positions | 73           | 93           | 95           |
| Staff-Years:              |              |              |              |
| Ceiling.....              | 87           | 93           | 95           |
| Non-ceiling.....          | 1            | 4            | 4            |
| TOTAL                     | 88           | 97           | 99           |

## OFFICE OF THE SECRETARY

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                           | <u>1989</u>      | <u>1990</u>      | <u>1991</u>      |
|-----------------------------------------------------------|------------------|------------------|------------------|
| Personnel Compensation:                                   |                  |                  |                  |
| Headquarters                                              | \$3,489,734      | \$4,565,000      | \$5,446,000      |
| 11 Total personnel compensation                           | 3,489,734        | 4,565,000        | 5,446,000        |
| 12 Personnel Benefits.....                                | <u>692,925</u>   | <u>936,000</u>   | <u>1,094,000</u> |
| Total pers. comp & benefits...                            | 4,182,659        | 5,501,000        | 6,540,000        |
| Other Objects:                                            |                  |                  |                  |
| 21 Travel.....                                            | 160,942          | 108,000          | 131,000          |
| 22 Transportation of things                               | 17,974           | 1,000            | 1,000            |
| 23.3 Communications, utilities,<br>and misc. charges..... | 453,475          | 446,000          | 407,000          |
| 24 Printing.....                                          | 264,460          | 129,000          | 146,000          |
| 25 Other services.....                                    | 415,969          | 997,000          | 427,000          |
| 26 Supplies and materials.....                            | 184,935          | 100,000          | 114,000          |
| 31 Equipment.....                                         | <u>100,959</u>   | <u>12,000</u>    | <u>20,000</u>    |
| Total other objects.....                                  | <u>1,598,714</u> | <u>1,793,000</u> | <u>1,246,000</u> |
| Total direct obligations.....                             | <u>5,781,373</u> | <u>7,294,000</u> | <u>7,786,000</u> |
| Position Data:                                            |                  |                  |                  |
| Average Salary, ES positions....                          | \$75,231         | \$76,925         | \$96,912         |
| Average Salary, GM/GS position...                         | \$43,187         | \$44,022         | \$46,221         |
| Average Grade, GM/GS positions...                         | 11.93            | 12.00            | 12.02            |



## OFFICE OF THE SECRETARY

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

## Office of the Secretary

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed [\$50,000] \$75,000 for employment under 5 U.S.C. 3109, [~~\$1,789,000~~], \$7,786,000. Provided, That not to exceed [\$8,000] \$11,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

## [Farm and Export Programs]

[For development of a plan by the Secretary for returning the use of the Commodity Credit Corporation to its primary function which was to buy and sell competitively to enable the farmer to offset high American costs and to maintain his fair share of world markets; and to restore the use of section 32 (30 per centum of customs receipts) as authorized by law, the use of which is presently suspended, to enable the farmer to secure his income from the user of his products rather than the U.S. Treasury and to enable the American farmer to regain and retain, by competitive sales, our normal share of world markets, \$400,000.]

## [Compilation of Methods used by Foreign Countries to Protect their Domestic Agriculture]

[To enable the Secretary of Agriculture to investigate and compile a listing of the laws and practices used by foreign countries to protect their domestic agriculture from foreign competition and to expand their foreign markets in order to assist the Department in regaining and retaining our fair share of world markets, \$400,000.]

## [Office of the Deputy Secretary]

[For necessary expenses of the Office of the Deputy Secretary of Agriculture, including not to exceed \$25,000 for employment under 5 U.S.C. 3109, \$397,000: Provided, That not to exceed \$3,000 of this amount shall be available for official reception and representation expenses; not otherwise provided for, as determined by the Deputy Secretary.]

## [Office of the Assistant Secretary for Administration]

[For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the program funded in this Act, \$470,000.]

## [Office of the Assistant Secretary for Governmental and Public Affairs]

[For necessary expenses of the Office of the Assistant Secretary for Governmental and Public Affairs to carry out the program funded in this Act, \$414,000.]

## [Office of the Assistant Secretary for Economics]

[For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, \$454,000.]

## [Office of the Assistant Secretary for Science and Education]

[For necessary expenses of the Office of the Assistant Secretary for Science and Education to carry out the programs funded in this Act, \$438,000.]

[Office of the Assistant Secretary for Marketing and Inspection Services]

[For necessary expenses of the Office of the Assistant Secretary for Marketing and Inspection Services to carry out the programs funded in this Act, \$427,000.]

[Office of the Under Secretary for International Affairs and Commodity Programs]

[For necessary expenses of the Office of the Under Secretary for International Affairs and Commodity Programs to carry out the programs funded in this Act, \$419,000.]

[Office of the Under Secretary for Small Community and Rural Development]

[For necessary expenses of the Office of the Under Secretary for Small Community and Rural Development to carry out the programs funded in this Act, \$424,000.]

[Office of the Assistant Secretary for Natural Resources and Environment]

[For necessary expenses of the Office of the Assistant Secretary for Natural Resources and Environment to carry out the programs funded in this Act, \$445,000.]

[Office of the Assistant Secretary for Food and Consumer Services]

[For necessary expenses of the Office of the Assistant Secretary for Food and Consumer Services to carry out the programs funded in this Act, \$412,000.]

This change merges amounts appropriated to the Deputy Secretary, and to Under and Assistant Secretaries with amounts appropriated to the Secretary of Agriculture for the operation of the offices within the Office of the Secretary to reestablish a single appropriation for that Office. The fiscal year 1990 Appropriations Act contained separate appropriation accounts for the Immediate Office, the Office of the Deputy Secretary and each Under and Assistant Secretary.

The fiscal year 1991 budget proposes to reestablish a single appropriation for these activities. The multiple accounts unduly restrict the discretion of the Secretary, to organize the resources to carry out the Department's programs in the most cost effective manner. The Secretary is charged with the responsibility and implementation of national agriculture policies enacted by the Congress. The establishment of multiple appropriations limits his ability to establish priorities and shift resources necessary to meet the challenging conditions of America's agriculture.

The two studies [Farm and Export Programs and Compilation of Methods used by Foreign Countries to Protect their Domestic Agriculture] are not proposed in the FY 1991 budget.

## OFFICE OF THE SECRETARY

|                                |                  |
|--------------------------------|------------------|
| Appropriation Act, 1990.....   | \$6,889,000      |
| Budget Estimate, 1991.....     | <u>7,786,000</u> |
| Increase in Appropriation..... | <u>+897,000</u>  |

## Adjustments in 1990

|                                                    |                |                  |
|----------------------------------------------------|----------------|------------------|
| Appropriation Act, 1990.....                       | \$6,889,000    |                  |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | -87,000        |                  |
| Activity transferred from Congressional.....       |                |                  |
| Relations a/.....                                  | +542,000       |                  |
| Activity transferred to Office of Public.....      |                |                  |
| Affairs b/.....                                    | <u>-50,000</u> |                  |
| Adjusted base for 1990.....                        |                | 7,294,000        |
| Budget estimate, 1991.....                         |                | <u>7,786,000</u> |
| Increase over adjusted 1990.....                   |                | <u>+492,000</u>  |

a/ Pursuant to the authority given to the Secretary in the Reorganization Plan Number 2 of 1953, functions of the Office of Congressional Relations were transferred to the Office of the Assistant Secretary for Congressional Relations from the Congressional Relations at the beginning of 1990. Actual transfer of funds of \$542,000 was made at that time.

b/ Pursuant to the authority cited above, the press office function was transferred from the Office of the Secretary to the Office of Public Affairs at the beginning of 1990. Actual transfer of funds was \$50,000.

SUMMARY OF INCREASES AND DECREASES  
(On basis of adjusted appropriation)

| <u>Item of Change</u>                                                | <u>1990<br/>Estimated</u> | <u>Pay Cost</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|----------------------------------------------------------------------|---------------------------|-----------------|----------------------------|---------------------------|
| Immediate Office of the Secretary                                    | \$1,716,000               | +\$177,000      | +\$50,000                  | \$1,943,000               |
| Farm and Export Programs.....                                        | 395,000                   | --              | -395,000                   | --                        |
| Investigation of Foreign<br>Competition.....                         | 395,000                   | --              | -395,000                   | --                        |
| Office of the Deputy Secretary...<br>Assistant Secretary for         | 392,000                   | +58,000         | +27,000                    | 477,000                   |
| Administration.....                                                  | 464,000                   | +57,000         | +23,000                    | 544,000                   |
| Assistant Secretary for<br>Congressional Relations.....              | 951,000                   | +108,000        | +36,000                    | 1,095,000                 |
| Assistant Secretary for Economics                                    | 448,000                   | +61,000         | +20,000                    | 529,000                   |
| Assistant Secretary for Science<br>and Education.....                | 432,000                   | +61,000         | +19,000                    | 512,000                   |
| Assistant Secretary for Marketing<br>and Inspection Services.....    | 422,000                   | +57,000         | +18,000                    | 497,000                   |
| Under Secretary for International<br>Affairs and Commodity Programs. | 414,000                   | +74,000         | +18,000                    | 506,000                   |
| Under Secretary for Small Com-<br>munity and Rural Development...    | 419,000                   | +85,000         | +156,000                   | 660,000                   |
| Assistant Secretary for Natural<br>Resources and Environment.....    | 439,000                   | +57,000         | +42,000                    | 538,000                   |
| Assistant Secretary for Food and<br>Consumer Services.....           | <u>407,000</u>            | <u>+57,000</u>  | <u>+21,000</u>             | <u>485,000</u>            |
| Total Available.....                                                 | <u>7,294,000</u>          | <u>+852,000</u> | <u>-360,000</u>            | <u>7,786,000</u>          |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Item of Change   | 1989         |                          | 1990         |                          | Increase<br>or<br>Decrease | 1991         |                          |
|------------------|--------------|--------------------------|--------------|--------------------------|----------------------------|--------------|--------------------------|
|                  | Actual       | Staff:<br>Amount :Years: | Estimated    | Staff:<br>Amount :Years: |                            | Estimated    | Staff:<br>Amount :Years: |
| 1. Secretary.... | \$1,612,410: | 24:                      | \$1,716,000: | 22:                      | +\$227,000:                | \$1,943,000: | 22                       |
| Special          | :            | :                        | :            | :                        | :                          | :            | :                        |
| Services...      | 137,448:     | 2:                       | --:          | :                        | --:                        | --:          | :                        |
| Natural          | :            | :                        | :            | :                        | :                          | :            | :                        |
| Resources...     | 230,589:     | 3:                       | --:          | :                        | --:                        | --:          | :                        |
| Farm/Export      | :            | :                        | :            | :                        | :                          | :            | :                        |
| Prog. Plan...    | --:          | 0:                       | 395,000:     | 0:                       | -395,000:                  | --:          | --                       |
| Investigate      | :            | :                        | :            | :                        | :                          | :            | :                        |
| Foreign Comp:    | --:          | 0:                       | 395,000:     | 0:                       | -395,000:                  | --:          | --                       |
| 2. Deputy        | :            | :                        | :            | :                        | :                          | :            | :                        |
| Secretary....    | 350,718:     | 3:                       | 392,000:     | 5:                       | +85,000:                   | 477,000:     | 5                        |
| 3. Under/Asst.   | :            | :                        | :            | :                        | :                          | :            | :                        |
| Secretaries..    | :            | :                        | :            | :                        | :                          | :            | :                        |
| ADM.....         | 436,820:     | 5:                       | 464,000:     | 5:                       | +80,000:                   | 544,000:     | 5                        |
| CR.....          | 849,401:     | 11:                      | 951,000:     | 15:                      | +144,000:                  | 1,095,000:   | 15                       |
| ECON.....        | 410,830:     | 5:                       | 448,000:     | 5:                       | +81,000:                   | 529,000:     | 5                        |
| S/E.....         | 384,462:     | 5:                       | 432,000:     | 5:                       | +80,000:                   | 512,000:     | 5                        |
| MIS.....         | 365,134:     | 5:                       | 422,000:     | 5:                       | +75,000:                   | 497,000:     | 5                        |
| IACP.....        | 404,863:     | 5:                       | 414,000:     | 5:                       | +92,000:                   | 506,000:     | 7                        |
| SCRD.....        | 302,295:     | 5:                       | 419,000:     | 5:                       | +241,000:                  | 660,000:     | 5                        |
| NRE.....         | --:          | --:                      | 439,000:     | 5:                       | +99,000:                   | 538,000:     | 5                        |
| FCS.....         | 296,403:     | 3:                       | 407,000:     | 5:                       | +78,000:                   | 485,000:     | 5                        |
| Unobligated      | :            | :                        | :            | :                        | :                          | :            | :                        |
| balance.....     | 618,627:     | --:                      | --:          | --:                      | --:                        | --:          | --                       |
| Total available  | :            | :                        | :            | :                        | :                          | :            | :                        |
| or estimate ...  | 6,400,000:   | 76:                      | 7,294,000:   | 82:                      | +492,000(1):               | 7,786,000:   | 84                       |
| Transfer from    | :            | :                        | :            | :                        | :                          | :            | :                        |
| Office of        | :            | :                        | :            | :                        | :                          | :            | :                        |
| Public Affairs:  | -497,000:    | -7:                      | -542,000:    | :                        | :                          | :            | :                        |
| Transfer to      | :            | :                        | :            | :                        | :                          | :            | :                        |
| Office of        | :            | :                        | :            | :                        | :                          | :            | :                        |
| Public Affairs:  | +50,000:     | :                        | +50,000:     | :                        | :                          | :            | :                        |
| Gramm-Rudman-    | :            | :                        | :            | :                        | :                          | :            | :                        |
| Hollings         | :            | :                        | :            | :                        | :                          | :            | :                        |
| Reduction,       | :            | :                        | :            | :                        | :                          | :            | :                        |
| P.L. 99-177      | --:          | :                        | +87,000:     | :                        | :                          | :            | :                        |
| Total, Appropri- | :            | :                        | :            | :                        | :                          | :            | :                        |
| ations.....      | 5,953,000:   | 69:                      | 6,889,000:   | :                        | :                          | :            | :                        |

Explanation of Program

The Office of the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries and their immediate staffs, provide policy and guidance for the department and maintain relationships with agricultural organizations and others in the development of farm programs.

The Office of the Secretary also oversees special programs that are conducted at the behest of the Congress. These programs include short-term studies, investigations, and research on matters affecting agriculture or the agricultural community. One-time appropriations are provided by the Congress to carry out these programs. Program results are reported to the appropriate Congressional committees. Recently, special programs have included:

-- investigation and compilation of a listing of laws and practices used by foreign countries to protect their domestic agriculture from foreign markets; development of a plan to redirect the Commodity Credit Corporation and the use of Section 32 funds.



## JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$492,000 consisting of:

- (a) An increase of \$150,000 for two additional staff years and related costs in the Office of the Under Secretary for Small Community and Rural Development.

Need for Change. The Office of the Under Secretary for Small Community and Rural Development needs additional staff to advise the Under Secretary on rural development issues to work with the State Food and Agriculture Councils, and to coordinate rural development activities with other Federal Departments, State and local governments and other interested organizations, including rural development public interest groups. These responsibilities are consistent with the mandates for rural development policy leadership, contained in the Rural Development Act of 1972 and the Rural Development Policy Act of 1980. Additional staff for this office would also contribute to the development and implementation of rural revitalization initiatives, such as the focusing of rural development programs in the creation of more jobs and encourage private sector participation in guaranteed lending.

Nature of Change. This proposal will increase staff years by two and provide related funding.

- (b) An increase of \$280,000 for increased operating costs.

Need for Change. These funds will help the Secretary, the Deputy Secretary and Under and Assistant Secretaries to meet rising operating costs.

Nature of Change. This increase will cover costs associated with inflation, e.g. communications, printing, supplies and other services.

- (c) An increase of \$247,000 for the FY 1989 pay raise and \$605,000 for 1991 pay raises, which includes \$528,000 for executive pay raises.

Need for Change. The Office of the Secretary is a labor intensive organization and cannot absorb the increased pay costs.

Nature of Change. This increase will cover the costs associated with 1989 and 1991 increases. The total 1990 pay raise is being absorbed.

- (d) A decrease of \$790,000 for Special Programs.

Need for Change. Special programs on farm exports and investigation of foreign competition were funded from annual appropriations that expire at the end of FY 1990. It is anticipated that program goals will have been accomplished by then.

Nature of Change. This decrease reflects the discontinuance of one time funded appropriations for these programs.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989, and estimated 1990 and 1991

|                  | <u>1989</u>   |                         | <u>1990</u>   |                         | <u>1991</u>   |                         |
|------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|
|                  | <u>Amount</u> | <u>Staff-<br/>Years</u> | <u>Amount</u> | <u>Staff-<br/>Years</u> | <u>Amount</u> | <u>Staff-<br/>Years</u> |
| Washington, D.C. | \$5,781,373   | 76                      | \$7,294,000   | 82                      | \$7,786,000   | 84                      |

OFFICE OF THE SECRETARY

Passenger Motor Vehicle

The 1991 Budget Estimates propose no additional or replacement passenger motor vehicles.

Three vehicles are rented on an annual basis. One each is for use by the Secretary of Agriculture and the Deputy Secretary. The third vehicle is used for delivery of materials between the Department and the Congress.

## DEPARTMENTAL ADMINISTRATION

Purpose Statement

This appropriation funds the Departmental Administrative Staff Offices of USDA. These Offices provide staff support to the top policy officials of the Department and overall direction and coordination of the work of USDA's program agencies to ensure the efficient and effective management and operation of the Department.

The functions and activities carried out by Departmental Administrative Staff Offices under the Assistant Secretary for Administration are as follows:

- The Office of Personnel provides guidance in and support in the areas of personnel matters in the planning and development of Department policies and programs. It is responsible for formulating and issuing Department policy, standards, and rules and regulations relating to personnel. It develops and implements personnel management plans and programs responsive to the Department's needs. In addition, it also provides day-to-day operating personnel services to the Immediate Office of the Secretary and Departmental Staff Offices, as well as to certain non-USDA agencies on a cross-servicing basis.
- The Office of Finance and Management provides leadership in the development and evaluation of programs in finance, accounting, Federal assistance, occupational safety and health, travel, productivity improvement, and management improvement; and audit follow-up and final action. In addition, it also provides budget, accounting and fiscal services to the Office of the Secretary and Departmental Staff Offices.
- The Office of Operations provides leadership, oversight, and policy development in the areas of real and personal property, procurement, contracts, motor vehicles, management improvement, and automated data processing. It also provides procurement, contracting, and other administrative service support to the Office of the Secretary and Departmental Staff Offices.
- The Office of Information Resources Management develops and disseminates Departmental standards, guidelines, rules, and regulations necessary to implement approved Information Resources Management (IRM) principles, policies, and programs that improve the operational effectiveness of USDA's programs. It also provides for long-range IRM planning for the Department, guides the IRM planning of USDA agencies and reviews, monitors and oversees major agency and Departmental IRM programs. In addition, it provides telecommunications and ADP services to USDA agencies and Staff Offices.
- The Office of Advocacy and Enterprise provides overall guidance, leadership, and coordination for the Department's programs for equal opportunity and civil rights. It is responsible for implementing and administering programs under Sections 8 and 15 of the Small Business Act, and directs and monitors compliance in promoting full and open competition in procurement. It also directs the Department's efforts to further the participation of minority colleges and universities in USDA programs.
- The Office of Administrative Law Judges/Judicial Officer is responsible for conducting regulatory hearings and deciding issues arising under the Administrative Procedure Act. The Administrative Law Judges hold rulemaking and adjudicatory hearings and issue initial decisions and orders; the Judicial Officer serves as final deciding officer in regulatory proceedings.



Up until fiscal year 1990, this account also funded the functions and activities performed by the Office of Budget and Program Analysis, which reports to the Secretary of Agriculture. In fiscal year 1990, the Congress enacted a separate appropriation for this Office. For FY 1989 OBPA is presented separately in these Notes.

Not all Administrative Staff Office activities are financed from direct appropriations. The following activities are financed through the Departmental Working Capital Fund or from reimbursements from USDA agencies.

Working Capital Fund Activities. The Department's Staff Offices provide the following central services, that are currently financed under the Department's Working Capital Fund (7 U.S.C. 2235), to USDA agencies.

- The Office of Finance and Management provides central accounting operations and financial reporting, payroll, voucher payments, billings and collections services.

- The Office of Operations provides central services for supplies, reproduction and copier services, mail collection and delivery, mailing lists, forms distribution, central shipping and receiving, excess personal property control, executive correspondence control, the Imprest Fund, and an automated contract system.

- The Office of Information Resources Management provides centralized computer services and centralized telecommunication services.

A detailed explanation of these activities is presented in the Working Capital Fund section.

Reimbursable Activities. Travel and printing for the Administrative Law Judges, miscellaneous details, selected short-term activities, as well as reimbursements for administrative operational support services to Working Capital Fund activities are included in this area.

Geographic Location. The majority of the staff offices are located in Washington, D.C. Central services financed through the Working Capital Fund are provided by the National Finance Center located in New Orleans and by the Department's computer centers located in Kansas City, Missouri and Fort Collins, Colorado, and by other administrative service units located in the Washington Metropolitan area.

As of September 30, 1989, there were 1,904 full-time employees and 158 part-time employees in the staff offices included under Departmental Administration, including 582 permanent full-time and 47 part-time employees located in Washington, D.C.

## DEPARTMENTAL ADMINISTRATION

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                         | 1989          |       | 1990          |       | 1991          |       |
|------------------------------|---------------|-------|---------------|-------|---------------|-------|
|                              | Actual        | Staff | Estimated     | Staff | Estimated     | Staff |
|                              | Amount        | Years | Amount        | Years | Amount        | Years |
| Direct Appropriation....     | \$21,533,000: | 364   | \$22,022,000: | 392   | \$23,355,000: | 394   |
| Obligations Under Other:     |               |       |               |       |               |       |
| <u>USDA /Appropriations:</u> |               |       |               |       |               |       |
| Motor Vehicles Project..     | 182,552:      | --    | --            | --    | --            | --    |
| Agri.Comm. Netw'k.....       | 1,018,407:    | --    | --            | --    | --            | --    |
| Office of Administra-        |               |       |               |       |               |       |
| trative Law Judges....       | 41,773:       | --    | 79,300:       | --    | 88,000:       | --    |
| Miscellaneous Details...     | 278,538:      | --    | 125,700:      | --    | 128,000:      | --    |
| Miscellaneous.....           | 115,982:      | --    | 114,000:      | --    | 114,000:      | --    |
| Subtotal, USDA.....          | 1,637,252:    | --    | 319,000:      | --    | 330,000:      | --    |
| Obligations Under Other:     |               |       |               |       |               |       |
| <u>Federal Funds:</u>        |               |       |               |       |               |       |
| Farm Credit Assistance..     | 10,926:       | --    | 8,000:        | --    | 8,000:        | --    |
| Mine Safety Board.....       | 24,429:       | --    | 25,000:       | --    | 25,000:       | --    |
| Dept. of Commerce.....       | 18,391:       | --    | 25,000:       | --    | 25,000:       | --    |
| Census Bureau.....           | 1,949,913:    | --    | 0:            | --    | 0:            | --    |
| GSA Training.....            | 2,651:        | --    | 5,000:        | --    | 5,000:        | --    |
| Subtotal, Non-USDA....       | 2,006,310:    | --    | 63,000:       | --    | 63,000:       | --    |
| Management Support.....      |               |       |               |       |               |       |
| Services Provided To..       |               |       |               |       |               |       |
| WCF Activities.....          | 3,608,000:    | 72    | 3,632,000:    | 75    | 3,879,000:    | 75    |
| Total, Reimbursements...     | 7,251,562:    | 72    | 4,014,000:    | 75    | 4,272,000:    | 75    |
| <u>Working Capital Fund:</u> |               |       |               |       |               |       |
| Supply and Other             |               |       |               |       |               |       |
| Central Services.....        | 13,091,000:   | 147   | 13,821,000:   | 152   | 14,424,000:   | 153   |
| National Finance Center:     | 66,362,000:   | 1,229 | 71,466,000:   | 1,280 | 76,340,000:   | 1,289 |
| ADP Services.....            | 48,106,000:   | 188   | 48,117,000:   | 207   | 47,062,000:   | 207   |
| Purchase of Equipment...     | 15,858,000:   | --    | 14,877,000:   | --    | 14,788,000:   | --    |
| Subtotal, Working            |               |       |               |       |               |       |
| Capital Fund.....            | 143,417,000:  | 1,564 | 148,281,000:  | 1,639 | 152,614,000:  | 1,649 |
| Total, Other                 |               |       |               |       |               |       |
| Appropriations.....          | 150,668,562:  | 1,638 | 152,295,000:  | 1,714 | 156,886,000:  | 1,724 |
| Total, Departmental          |               |       |               |       |               |       |
| Administration.....          | 172,201,562:  | 2,000 | 174,317,000:  | 2,106 | 180,241,000:  | 2,118 |

| Full-time Equivalent Staff-Years: | 1989<br>Actual | 1990<br>Estimated | 1991<br>Estimated |
|-----------------------------------|----------------|-------------------|-------------------|
| Ceiling.....                      | 2,000          | 2,106             | 2,118             |
| Non-Ceiling.....                  | 65             | 67                | 68                |
| Total.....                        | 2,065          | 2,173             | 2,186             |

## DEPARTMENTAL ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary1989 and Estimated 1990 and 1991

| Grade                             | 1989   |        |        | 1990   |        |        | 1991   |        |       |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
|                                   | HDQTRS | FIELD  | TOTAL  | HDQTRS | FIELD  | TOTAL  | HDQTRS | FIELD  | TOTAL |
| ES-6.....                         | 5:     | 0:     | 5:     | 5:     | 0:     | 5:     | 5:     | --:    | 5     |
| ES-5.....                         | 5:     | 2:     | 7:     | 6:     | 2:     | 8:     | 6:     | 2:     | 8     |
| ES-4.....                         | 1:     | 1:     | 2:     | --:    | 1:     | 1:     | 0:     | 1:     | 1     |
| ES-3.....                         | 0:     | 3:     | 3:     | --:    | 1:     | 1:     | 0:     | 1:     | 1     |
| ES-2.....                         | 2:     | 2:     | 4:     | 2:     | 4:     | 6:     | 2:     | 4:     | 6     |
| ES-1.....                         | --:    | --:    | --:    | --:    | --:    | --:    | --:    | --:    | --    |
| GS/GM-17.....                     | 2:     | --:    | 2:     | 2:     | --:    | 2:     | 2:     | --:    | 2     |
| GS/GM-16.....                     | 4:     | --:    | 4:     | 5:     | --:    | 5:     | 5:     | --:    | 5     |
| GS/GM-15.....                     | 31:    | 13:    | 44:    | 31:    | 14:    | 45:    | 32:    | 14:    | 46    |
| GS/GM-14.....                     | 77:    | 53:    | 130:   | 82:    | 54:    | 136:   | 81:    | 54:    | 135   |
| GS/GM-13.....                     | 119:   | 115:   | 234:   | 126:   | 120:   | 246:   | 128:   | 120:   | 248   |
| GS-12.....                        | 45:    | 193:   | 238:   | 55:    | 219:   | 274:   | 54:    | 219:   | 273   |
| GS-11.....                        | 17:    | 143:   | 160:   | 22:    | 174:   | 196:   | 21:    | 174:   | 195   |
| GS-10.....                        | 2:     | 16:    | 18:    | 3:     | 15:    | 18:    | 4:     | 15:    | 19    |
| GS-9.....                         | 36:    | 101:   | 137:   | 37:    | 96:    | 133:   | 45:    | 97:    | 142   |
| GS-8.....                         | 14:    | 41:    | 55:    | 19:    | 45:    | 64:    | 20:    | 45:    | 65    |
| GS-7.....                         | 50:    | 124:   | 174:   | 47:    | 128:   | 175:   | 50:    | 128:   | 178   |
| GS-6.....                         | 29:    | 175:   | 204:   | 27:    | 172:   | 199:   | 30:    | 172:   | 202   |
| GS-5.....                         | 30:    | 246:   | 276:   | 41:    | 243:   | 284:   | 34:    | 243:   | 277   |
| GS-4.....                         | 41:    | 120:   | 161:   | 51:    | 112:   | 163:   | 45:    | 112:   | 157   |
| GS-3.....                         | 21:    | 67:    | 88:    | 22:    | 64:    | 86:    | 23:    | 63:    | 86    |
| GS-2.....                         | 10:    | 13:    | 23:    | 9:     | 11:    | 20:    | 8:     | 11:    | 19    |
| GS-1.....                         | --:    | --:    | --:    | 6:     | --:    | 6:     | 6:     | --:    | 6     |
| Other Graded<br>Positions.....    | 36:    | 10:    | 46:    | 33:    | 10:    | 43:    | 33:    | 10:    | 43    |
| Ungraded Positions                | 30:    | 18:    | 48:    | 23:    | 16:    | 39:    | 24:    | 13:    | 37    |
| Total Permanent<br>Positions..... | 607:   | 1,456: | 2,063: | 654:   | 1,501: | 2,155: | 658:   | 1,498: | 2,156 |
| Staff-Years:                      |        |        |        |        |        |        |        |        |       |
| Ceiling.....                      | 585:   | 1,415: | 2,000: | 624:   | 1,483: | 2,106: | 630:   | 1,489: | 2,118 |
| Non-ceiling.....                  | 5:     | 60:    | 65:    | 3:     | 64:    | 67:    | 4:     | 64:    | 68    |
| TOTAL                             | 590:   | 1,475: | 2,065: | 627:   | 1,547: | 2,173: | 634:   | 1,553: | 2,186 |

## DEPARTMENTAL ADMINISTRATION

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                        | <u>1989</u>       | <u>1990</u>       | <u>1991</u>       |
|--------------------------------------------------------|-------------------|-------------------|-------------------|
| Personnel Compensation:                                |                   |                   |                   |
| Headquarters                                           | \$14,575,029      | \$16,588,000      | \$16,959,000      |
| Field.....                                             | ---               | ---               | ---               |
| 11 Total personnel compensation                        | 14,575,029        | 16,588,000        | 16,959,000        |
| 12 Personnel Benefits.....                             | 1,918,496         | 2,028,000         | 2,069,000         |
| 13 Benefits for former<br>personnel.....               | 5,892             | 13,000            | 14,000            |
| Total pers. comp & benefits...                         | <u>16,499,417</u> | <u>18,629,000</u> | <u>19,042,000</u> |
| Other Objects:                                         |                   |                   |                   |
| 21 Travel.....                                         | 426,181           | 365,000           | 437,000           |
| 22 Transportation of things....                        | 7,787             | 7,000             | 7,000             |
| 23.3 Communications, utilities,<br>and other rent..... | 957,184           | 888,000           | 980,000           |
| 24 Printing and reproduction...                        | 278,371           | 216,000           | 280,000           |
| 25 Other services.....                                 | 1,846,217         | 1,625,000         | 1,998,000         |
| 26 Supplies and materials.....                         | 359,030           | 133,000           | 313,000           |
| 31 Equipment.....                                      | 411,006           | 59,000            | 197,000           |
| 41 Grants & Subsidies and<br>Contributions.....        | <u>100,000</u>    | <u>100,000</u>    | <u>101,000</u>    |
| Total other objects.....                               | <u>4,385,776</u>  | <u>3,393,000</u>  | <u>4,313,000</u>  |
| Total direct obligations.....                          | <u>20,885,193</u> | <u>22,022,000</u> | <u>23,355,000</u> |
| <u>Position Data:</u>                                  |                   |                   |                   |
| Average Salary, ES positions.....                      | \$72,717          | \$79,329          | \$97,147          |
| Average Salary, GM/GS position...                      | \$37,669          | \$39,965          | \$40,325          |
| Average Grade, GM/GS positions...                      | 12.04             | 12.05             | 12.05             |

DEPARTMENTAL ADMINISTRATION

The estimates include appropriation language for this item as follows: (new language in underscored; deleted matter enclosed in brackets):

Departmental Administration

For Personnel, Finance and Management, Operations, Information Resources Management, Advocacy and Enterprise, and Administrative Law Judges and Judicial Officer, [\$22,020,000;] \$23,305,000 and in addition, for the payment of the USDA share of the National Communications System, [\$2,000] \$50,000; making a total of [\$22,022,000] \$23,355,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration and emergency preparedness of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, including employment pursuant to the second sentence of Section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.



## DEPARTMENTAL ADMINISTRATION

|                                |                    |
|--------------------------------|--------------------|
| Appropriation Act, 1989.....   | \$22,022,000       |
| Budget Estimate, 1990.....     | <u>23,355,000</u>  |
| Increase in Appropriation..... | <u>+ 1,333,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

| <u>Item of Change</u>                                  | <u>1990<br/>Estimated</u> | <u>Pay Cost</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|--------------------------------------------------------|---------------------------|-----------------|----------------------------|---------------------------|
| Personnel.....                                         | \$6,032,000               | +\$226,000      | +\$259,000                 | \$6,517,000               |
| Finance and Management.....                            | 3,921,000                 | +149,000        | +23,000                    | 4,093,000                 |
| Operations.....                                        | 2,728,000                 | + 91,000        | +137,000                   | 2,956,000                 |
| Information Resources Management.                      | 4,901,000                 | +126,000        | ---                        | 5,027,000                 |
| Advocacy and Enterprise.....                           | 3,113,000                 | +98,000         | +140,000                   | 3,351,000                 |
| Administrative Law Judges and<br>Judicial Officer..... | 1,325,000                 | +36,000         | ---                        | 1,361,000                 |
| National Communications<br>System.....                 | <u>2,000</u>              | <u>---</u>      | <u>+48,000</u>             | <u>50,000</u>             |
| Total Available.....                                   | <u>22,022,000</u>         | <u>+726,000</u> | <u>+607,000</u>            | <u>23,355,000</u>         |

PROJECT STATEMENT  
(On basis of appropriation)

| <u>Item of Change</u>                                 | <u>1989<br/>Actual</u> | <u>Staff:</u> | <u>1990<br/>Estimated</u> | <u>Staff:</u> | <u>Increase<br/>or<br/>Decrease</u> | <u>1991<br/>Estimated</u> | <u>Staff:</u> |
|-------------------------------------------------------|------------------------|---------------|---------------------------|---------------|-------------------------------------|---------------------------|---------------|
|                                                       | <u>Amount</u>          | <u>Years</u>  | <u>Amount</u>             | <u>Years</u>  |                                     | <u>Amount</u>             | <u>Years</u>  |
| 1. Departmental<br>Staff Offices                      |                        |               |                           |               |                                     |                           |               |
| a. Personnel.....                                     | \$5,872,436            | 111           | \$6,032,000               | 120           | +\$485,000                          | \$6,517,000               | 121           |
| b. Finance &<br>Management....                        | 3,650,004              | 60            | 3,921,000                 | 70            | +172,000                            | 4,093,000                 | 70            |
| c. Operations....                                     | 2,676,006              | 58            | 2,728,000                 | 56            | +228,000                            | 2,956,000                 | 56            |
| d. Information<br>Resources<br>Manage.....            | 4,489,823              | 61            | 4,901,000                 | 64            | +126,000                            | 5,027,000                 | 64            |
| e. Advocacy &<br>Enterprise....                       | 3,053,945              | 55            | 3,113,000                 | 58            | +238,000                            | 3,351,000                 | 59            |
| f. Admin. Law<br>Judges &<br>Judicial<br>Officer..... | 1,027,231              | 19            | 1,325,000                 | 24            | +36,000                             | 1,361,000                 | 24            |
| Subtotal.....                                         | 20,769,445             | 364           | 22,020,000                | 392           | +1,285,000(1)                       | 23,305,000                | 394           |
| 2. National<br>Commun.<br>System.....                 | 115,748                | --            | 2,000                     | --            | +48,000(2)                          | 50,000                    | --            |
| Total, Admin. Mgt.                                    | 20,885,193             | 364           | 22,022,000                | 392           | +1,333,000                          | 23,355,000                | 394           |
| Unobligated<br>balance.....                           | 647,807                | --            | --                        | --            | --                                  | --                        | --            |
| Total available<br>or estimate.....                   | <u>21,533,000</u>      | <u>364</u>    | <u>22,022,000</u>         | <u>392</u>    | <u>+1,333,000</u>                   | <u>23,355,000</u>         | <u>394</u>    |

EXPLANATION OF PROGRAM

This appropriation provides for the following activities:

Personnel- This activity provides general liaison, direction, leadership, coordination and monitoring of the personnel management program in the Department and promulgation of Departmental policies and procedures relating to all personnel functions. Operational services are provided to the Office of the Secretary, Office of the Inspector General, Office of the General Counsel, Office of Governmental and Public Affairs, Office of Budget and Program Analysis, and the Departmental Administrative Staff Offices. Equal Employment Opportunity under Title 7 of the Civil Rights Act of 1964 is provided to all USDA agencies.

Finance and Management- This activity provides Departmental leadership, development and evaluation of programs in finance, accounting, Federal occupational safety and health, productivity and management improvements. The Director serves as the Department's chief financial officer, management improvement officer and comptroller of the Working Capital Fund. Finance and Management also provides budget, accounting and fiscal operational services to the Office of the Secretary, the Departmental Administrative Staff Offices, Office of the General Counsel, Office of Governmental and Public Affairs, and the Office of Budget and Program Analysis.

Operations- This activity provides staff and support services to the USDA Agencies in the management of real and personal property, procurement, contracts, supplies, motor vehicles and internal energy conservation. Under an agreement with GSA, it operates and provides maintenance security and services to the Washington, D.C. building complex. The Office of Operations also provides procurement and contract operational services to the Office of the Secretary, the Departmental Administrative Staff Offices, Office of the General Counsel, Office of Government and Public Affairs, and the Office of Budget and Program Analysis.

Information Resources Management- This activity designs, implements and revises systems, processes, work methods and techniques to improve the management of information resources and the operational effectiveness of USDA. The Director serves as the Department's clearance officer for statistical reporting and information collection. This activity also provides telecommunications and ADP services to USDA agencies and staff offices through the Fort Collins National Computer Center, and Kansas City National computer Center. The Office of Information Resources Management also provides, through a Departmental Computer Services Unit, ADP operational services to the Office of the Secretary, the Departmental Administrative Staff Offices, Office of Governmental and Public Affairs and the Office of Budget and Program Analysis.

Advocacy and Enterprise - This activity provides leadership, and coordination for the Department's programs for Equal Opportunity, Civil Rights and Affirmative action; implementation and administration of Sections 8 and 15 of the Small Business Act; direction of Departmental efforts to further the participation of minority colleges and universities in USDA programs; and direction and monitoring of compliance in promoting full and open competition in procurement.

Administrative Law Judges/Judicial Officer - The Administrative Law Judges hold hearings in connection with prescribing new regulations and orders and on disciplinary complaints filed by the Department or on some petitions filed by private parties asking relief from actions of the Department. Final administrative decisions in regulatory proceedings are rendered by the Judicial Officer.

National Communications System - This activity represents USDA's proportionate share of the cost of developing a nation-wide emergency preparedness telecommunications network established and required by Presidential National Security Decision Directive number 201.

# JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$1,285,000 million for Departmental Administration Staff Offices consisting of:

- (a) An increase of \$362,000 for the 1989 pay raise, with-in-grade increases, promotions, and the extra day of pay, and \$364,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (b) An increase of \$559,000 for program related increases to the Staff Offices consisting of:

Personnel - An increase of \$80,000 for increased technical assistance, training and maintenance of automated personnel information systems at the National Finance Center; an increase of \$179,000 and 1 FTE to test USDA's minority recruitment strategy, making a total program increase of \$259,000.

Need for change. There is a need to service and assist users of USDA's payroll personnel data base and automated systems at the National Finance Center (NFC) by providing technical assistance, training and maintaining automated personnel records systems at the National Finance Center. Existing staff will be used to update the payroll personnel system to implement new laws and regulations, provide enhancements to existing systems, identify problems and test new report specifications. This will keep the system current and responsive to user needs and legal requirements.

The USDA Recruiting Strategy is designed to support USDA agencies in meeting their critical human resource needs for the remainder of the decade as they encounter the problems associated with recruitment and retention within in a steadily shrinking labor force. The strategy includes Department-wide efforts to inform youth about career opportunities in USDA; provision of educational development assistance to middle and high schools, curriculum development for two and four year colleges; establishment of recruitment networks and mentor programs; and an automated applicants data base shared by USDA agencies. Special emphasis will be placed on minority recruitment efforts to make the workforce more representative of the general population of the Nation.

Nature of Change. The payroll personnel assistance and development project will involve increased computer connect time, and ADP processing charges at the NFC.

The Recruiting Strategy initiative will involve travel, development of recruitment materials such as video tapes, written materials, pamphlets, handouts, posters, and some ADP time for development of recruitment data bases.

Finance and Management - An increase of \$23,000 will allow the Department to meet the reporting requirements of OMB Circular A-50 "Audit Follow-up".

Need for Change. USDA has approximately 5,000 audits that generate over 60,000 transactions per year. The added resources will be used to develop an automated system to track the status of management's actions taken on audit recommendations, analyze problems and trends, and prepare the Department's semi-annual report to Congress.

Nature of Change. The increase will pay for computer and other costs associated with tracking audit recommendations and for preparation and printing of the semi-annual reports to Congress.



Operations - An increase of \$137,000 to provide resources to develop and manage the central USDA motor vehicle information system.

Need for change. Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that the delivery of motor vehicle services to ensure the most economical operations. USDA agencies need information, oversight and guidance in meeting the requirements of this legislation. Information on USDA agencies' motor vehicle use and management is required to meet government-wide efforts to reduce operating costs, keep fleet sizes to a level consistent with minimum requirements, and be competitive with other sources, e.g., leasing of vehicles. Also, regulations and policies regarding use of motor vehicles between home and work require an increased level of oversight and guidance.

Nature of Change. The resources will be applied to development and maintenance of an automated tracking and monitoring system, for data communication links to the NFC data base, and for travel to conduct on-site reviews. Management reviews of agencies' motor vehicle services and operations will be conducted, requiring some field travel.

Advocacy and Enterprise - An increase of \$90,000 for the Department to implement the Small and Limited Resource Farmer Initiative (SLRFI) under the Farm Credit Act of 1987; an increase of \$50,000 and 1 FTE for the Small and Disadvantaged Business Utilization (SDBU) program to respond to three recently enacted laws that target minority businesses to encourage rural development, making a total program increase of \$140,000.

Need for Change. Among its provisions, the Farm Credit Act of 1987 made the Office of Advocacy and Enterprise (OAE) the lead agency for the Small and Limited Resource Farmer Initiative within USDA. To implement its mandate, OAE will conduct reviews of USDA agencies' Small and Minority Business programs, provide technical assistance, identify trade associations to assist farmers targeted under this initiative, and track and monitor USDA's performance in this area. This increased effort requires additional resources as the base level of funding cannot support the expanded activity needed to perform this leadership role.

The Department is required by the Business Opportunity Development Reform Act of 1988, the Prompt Payment Act Amendments of 1988, and the Rural Development Program Act (P.L. 100-159) to increase small and minority business participation in government contracts.

Nature of Change. The resources for the Small and Limited Resource Farmer Initiative will be used for setting up computerized monitoring systems and travel to conduct reviews. The Small and Disadvantaged Business Utilization program would receive an added FTE, salary and operating funds to provide policy guidance, oversight and technical assistance to USDA agencies.

(2) National Communications System - An increase of \$48,000 to pay USDA's prorata share of the National Level Program (NLP) of emergency telecommunications as mandated by Presidential National Security Decision Directive (NSDD) 201. This payment supports development of the NCS and is not a regular program of the Department.

Need for Change. As required by the National Security Decision Directive 201, USDA contributes a prorata share of resources to aid in financing the development of the National Level Program (NLP) of emergency communications. This program would continue communications in time of national emergency or regional disaster.

Nature of Change. An increase of \$48,000 for payment of USDA's prorata share of the NLP.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS  
1989 AND ESTIMATED 1990 AND 1991

|                | <u>1989</u>   |                        | <u>1990</u>   |                        | <u>1991</u>   |                        |
|----------------|---------------|------------------------|---------------|------------------------|---------------|------------------------|
|                | <u>Amount</u> | <u>Staff-<br/>Year</u> | <u>Amount</u> | <u>Staff-<br/>Year</u> | <u>Amount</u> | <u>Staff-<br/>Year</u> |
| Washington, DC | \$20,885,193  | 364                    | \$22,022,000  | 392                    | \$23,355,000  | 394                    |





WORKING CAPITAL FUND  
CLASSIFICATION BY OBJECTS

1989 and Estimated 1990 and 1991

|                                                         | <u>1989</u>        | <u>1990</u>        | <u>1991</u>        |
|---------------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Personnel Compensation:</b>                          |                    |                    |                    |
| Headquarters .....                                      | \$5,597,000        | \$5,284,000        | \$5,562,000        |
| Field .....                                             | <u>41,047,000</u>  | <u>43,972,000</u>  | <u>45,120,000</u>  |
| 11 Total personnel compensation .....                   | 46,644,000         | 49,256,000         | 50,682,000         |
| 12 Personnel benefits ....                              | 6,553,000          | 7,039,000          | 7,273,000          |
| 13 Benefits for former personnel .....                  | <u>94,000</u>      | <u>110,000</u>     | <u>112,000</u>     |
| Total pers. comp. & benefits .....                      | <u>53,291,000</u>  | <u>56,405,000</u>  | <u>58,067,000</u>  |
| <b>Other Objects:</b>                                   |                    |                    |                    |
| 21 Travel .....                                         | 1,066,000          | 1,206,000          | 1,153,000          |
| 22 Transportation of things .....                       | 307,000            | 369,000            | 328,000            |
| 23.1 Building rental .....                              | 3,421,000          | 4,737,000          | 4,234,000          |
| 23.2 Communications, utilities, and misc. charges ..... | 25,969,000         | 28,956,000         | 29,878,000         |
| 24 Printing and reproduction .....                      | 879,000            | 944,000            | 942,000            |
| 25 Other services .....                                 | 28,320,000         | 24,307,000         | 25,760,000         |
| 26 Supplies and materials .....                         | 6,138,000          | 7,141,000          | 6,899,000          |
| 31 Equipment .....                                      | 16,466,000         | 15,594,000         | 15,458,000         |
| 43 Interest and dividends                               | 15,000             | 1,000              | 1,000              |
| 92 Depreciation .....                                   | <u>11,345,000</u>  | <u>12,503,000</u>  | <u>13,858,000</u>  |
| Total other objects .....                               | <u>93,926,000</u>  | <u>95,758,000</u>  | <u>98,511,000</u>  |
| Total .....                                             | <u>147,217,000</u> | <u>152,163,000</u> | <u>156,578,000</u> |

Position Data:

|                                 |          |          |          |
|---------------------------------|----------|----------|----------|
| Average Salary, ES positions    | \$74,463 | \$76,920 | \$79,689 |
| Average Salary, GM/GS positions | \$25,449 | \$26,877 | \$27,845 |
| Average Grade: GM/GS positions  | 8.0      | 8.2      | 8.2      |

The estimates include appropriation language for this item as follows:

Working Capital Fund

An amount of \$3,750,000 is hereby appropriated to the Departmental Working Capital Fund to increase the Government's equity in this fund and to provide for the purchase of automated data processing, data communication, and other related equipment necessary for the provision of Departmental centralized services to the agencies.

WORKING CAPITAL FUNDAppropriation:

|                                 |                    |
|---------------------------------|--------------------|
| Appropriations Act, 1990 .....  | 0                  |
| Budget Estimate, 1991 .....     | <u>\$3,750,000</u> |
| Increase in Appropriation ..... | <u>+3,750,000</u>  |

Program Activity:

|                                |                    |
|--------------------------------|--------------------|
| Operating Estimate, 1990 ..... | \$137,039,000      |
| Budget Estimate, 1991 .....    | <u>141,555,000</u> |
| Increase over 1990 .....       | <u>+4,516,000</u>  |

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

| <u>Item of Change</u>         | <u>1990<br/>Estimated</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|-------------------------------|---------------------------|----------------------------|---------------------------|
| Capitalization of the Fund .. | 0                         | +\$3,750,000               | \$3,750,000               |

JUSTIFICATION OF INCREASES AND DECREASES

1. An increase of \$3,750,000 for the capitalization of the Fund.

Need for Change. In FY 1985 the Congress approved a multi-year effort to recapitalize the Fund. The multi-year program has enabled the Fund to finance large-scale acquisitions of data processing equipment needed to support agencies in program management and service delivery.

Nature of Change. The FY 1991 resources will be used to obtain ADP equipment in support of administrative system, data base management, data processing services. Asset acquisition costs will be recovered over the useful life of the assets obtained through depreciation charges to users of services. In this way, the Fund is able to sustain its level of capital acquisition resources.

PROJECT STATEMENT  
(On basis of program activity)

| Project                          | 1989        |                 | 1990 Estimated |                 | Increase<br>or<br>Decrease | 1991 Estimated |                 |
|----------------------------------|-------------|-----------------|----------------|-----------------|----------------------------|----------------|-----------------|
|                                  | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                            | Amount         | Staff:<br>Years |
| 1. Capitalization<br>of the Fund | \$4,708,000 | 0               | \$0            | 0               | +\$3,750,000               | \$3,750,000    | 0               |

EXPLANATION OF PROGRAM

The appropriation for the Working Capital Fund is undertaken to support efforts to recapitalize the Fund activities identified in the Appropriations Act of 1944 and 7 U.S.C. 2235, and approved by the Director, Office of Management and Budget. The activities carried out under the appropriation include the purchase of large-scale ADP assets needed to insure that the computing, financial systems, and administrative systems processing needs of USDA agencies continue to be adequately met.

SUMMARY OF INCREASES AND DECREASES  
(Program Activity)

| <u>Item of Change</u>            | <u>1990<br/>Estimated</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|----------------------------------|---------------------------|----------------------------|---------------------------|
| 1. Supply and Other              |                           |                            |                           |
| Central Services.....            | \$13,821,000              | \$603,000                  | \$14,424,000              |
| Central Supply Stores            | 1,818,000                 | 49,000                     | 1,867,000                 |
| Central Supply Forms             | 2,573,000                 | 109,000                    | 2,682,000                 |
| Mail Distribution Service        | 2,367,000                 | 148,000                    | 2,515,000                 |
| Executive Corresp. & Rec'ds.     | 550,000                   | 57,000                     | 607,000                   |
| Agri. Contract Auto. Sys.        | 218,000                   | 8,000                      | 226,000                   |
| Central Shipping & Receiving     | 361,000                   | 13,000                     | 374,000                   |
| Central Excess Property Oper.    | 1,793,000                 | -5,000                     | 1,788,000                 |
| Central Imprest Fund             | 122,000                   | 7,000                      | 129,000                   |
| Copier/Duplication Center        | 4,019,000                 | 217,000                    | 4,236,000                 |
| 2. Video & Teleconferencing, and |                           |                            |                           |
| Visual Design Services ...       | 3,635,000                 | 94,000                     | 3,729,000                 |
| Video and Teleconferencing       | 1,305,000                 | 53,000                     | 1,358,000                 |
| Visual Design Services           | 2,330,000                 | 41,000                     | 2,371,000                 |
| 3. National Finance Center ..... | 71,466,000                | 4,874,000                  | 76,340,000                |
| 4. ADP Services .....            | 48,117,000                | -1,055,000                 | 47,062,000                |
| NCC/Ft. Collins                  | 9,031,000                 | -1,490,000                 | 7,541,000                 |
| NCC/Kansas City                  | 36,371,000                | 462,000                    | 36,833,000                |
| Computer Services Unit           | 1,190,000                 | 54,000                     | 1,244,000                 |
| Telephone Service Oper.          | 830,000                   | 20,000                     | 850,000                   |
| Local Area Network               | <u>695,000</u>            | <u>-101,000</u>            | <u>594,000</u>            |
| Total Recurring Operations       | 137,039,000               | +4,516,000                 | 141,555,000               |
| Capital Equipment Acquisitions   | <u>15,124,000</u>         | <u>-101,000</u>            | <u>15,023,000</u>         |
| Total                            | <u>\$152,163,000</u>      | <u>\$4,415,000</u>         | <u>\$156,578,000</u>      |



**PROJECT STATEMENT**  
(On basis of program activity)

| Project                                        | 1989           |                 | 1990 Estimated |                 | Increase<br>or<br>Decrease | 1991 Estimated |                 |
|------------------------------------------------|----------------|-----------------|----------------|-----------------|----------------------------|----------------|-----------------|
|                                                | Amount         | Staff:<br>Years | Amount         | Staff:<br>Years |                            | Amount         | Staff:<br>Years |
| 1. Supply and Other                            |                |                 |                |                 |                            |                |                 |
| Central Serv. . . .                            | \$13,091,000:  | 147:            | \$13,821,000:  | 152:            | +\$603,000:                | \$14,424,000:  | 153:            |
| Cent. Supp. Stores:                            | 2,128,000:     | 7:              | 1,818,000:     | 7:              | +49,000:                   | 1,867,000:     | 7:              |
| Cent. Supp. Forms:                             | 2,179,000:     | 6:              | 2,573,000:     | 9:              | +109,000:                  | 2,682,000:     | 9:              |
| Mail Dist. Svc.:                               | 2,429,000:     | 73:             | 2,367,000:     | 70:             | +148,000:                  | 2,515,000:     | 70:             |
| Exec. Corr. & Rec.:                            | 499,000:       | 10:             | 550,000:       | 12:             | +57,000:                   | 607,000:       | 12:             |
| AGCAS:                                         | 169,000:       | 2:              | 218,000:       | 2:              | +8,000:                    | 226,000:       | 2:              |
| Cent. Ship. & Rec.:                            | 308,000:       | 1:              | 361,000:       | 1:              | +13,000:                   | 374,000:       | 1:              |
| Cent. Excess Prop.:                            | 1,385,000:     | 7:              | 1,793,000:     | 11:             | -5,000:                    | 1,788,000:     | 12:             |
| Cent. Imprest Fund:                            | 99,000:        | 4:              | 122,000:       | 4:              | +7,000:                    | 129,000:       | 4:              |
| Cop./Dupl. Center:                             | 3,895,000:     | 37:             | 4,019,000:     | 36:             | +217,000:                  | 4,236,000:     | 36:             |
| 2. Video & Teleconf., &<br>Visual Design Svc.: | 3,616,000:     | 23:             | 3,635,000:     | 26:             | +94,000:                   | 3,729,000:     | 26:             |
| Video and Tele.                                | 1,264,000:     | 11:             | 1,305,000:     | 13:             | +53,000:                   | 1,358,000:     | 13:             |
| Vis. Design Svc.:                              | 2,352,000:     | 12:             | 2,330,000:     | 13:             | +41,000:                   | 2,371,000:     | 13:             |
| 3. Office of Finance<br>and Management . .     | 66,362,000:    | 1,229:          | 71,466,000:    | 1,280:          | +4,874,000:                | 76,340,000:    | 1,289:          |
| 4. ADP Services . . . .                        | 48,106,000:    | 188:            | 48,117,000:    | 207:            | -1,055,000:                | 47,062,000:    | 207:            |
| NCC/Fort Collins:                              | 14,024,000:    | 64:             | 9,031,000:     | 73:             | -1,490,000:                | 7,541,000:     | 73:             |
| NCC/Kansas City:                               | 31,433,000:    | 116:            | 36,371,000:    | 125:            | +462,000:                  | 36,833,000:    | 125:            |
| Comp. Svc. Unit:                               | 1,205,000:     | 8:              | 1,190,000:     | 9:              | +54,000:                   | 1,244,000:     | 9:              |
| Tele. Svc. Oper.:                              | 771,000:       | 0:              | 830,000:       | 0:              | +20,000:                   | 850,000:       | 0:              |
| Local Area Network:                            | 673,000:       | 0:              | 695,000:       | 0:              | -101,000:                  | 594,000:       | 0:              |
| Total Recurring Oper.:                         | 131,175,000:   | 1,587:          | 137,039,000:   | 1,665:          | +4,516,000:                | 141,555,000:   | 1,675:          |
| Cap. Equip. Acquis. . .                        | 16,042,000:    | 0:              | 15,124,000:    | 0:              | -101,000:                  | 15,023,000:    | 0:              |
| Total . . . . .                                | \$147,217,000: | 1,587:          | \$152,163,000: | 1,665:          | +\$4,415,000:              | \$156,578,000: | 1,675:          |

**FUNDING FROM NON-USDA SOURCES**  
(On basis of program activity)

| Project                                        | 1989          |                 | 1990 Estimated |                 | Increase<br>or<br>Decrease | 1991 Estimated |                 |
|------------------------------------------------|---------------|-----------------|----------------|-----------------|----------------------------|----------------|-----------------|
|                                                | Amount        | Staff:<br>Years | Amount         | Staff:<br>Years |                            | Amount         | Staff:<br>Years |
| 1. Supply and Other                            |               |                 |                |                 |                            |                |                 |
| Central Serv. . . .                            | \$1,320,000:  | 0:              | \$1,576,000:   | 0:              | +\$58,000:                 | \$1,634,000:   | 0:              |
| 2. Video & Teleconf., &<br>Visual Design Svc.: | 17,000:       | 0:              | 23,000:        | 0:              | +1,000:                    | 24,000:        | 0:              |
| 3. Office of Finance<br>and Management . .     | 18,037,000:   | 263:            | 21,824,000:    | 350:            | +4,580,000:                | 26,404,000:    | 407:            |
| 4. ADP Services . . . .                        | 3,265,000:    | 0:              | 1,165,000:     | 0:              | +7,000:                    | 1,172,000:     | 0:              |
| Total . . . . .                                | \$22,639,000: | 263:            | \$24,588,000:  | 350:            | +\$4,646,000:              | \$29,234,000:  | 407:            |

## WORKING CAPITAL FUND

Explanation of Program

Authorized under Public Law 78-129, making appropriations to USDA for FY 1944 (7 U.S.C. 2235), the USDA Working Capital Fund finances services provided to USDA agencies on a centralized basis. Under the law, only activities approved by the Director of the Office of Management and Budget (OMB) may be carried out under the Fund. Centralization is recommended by the Department and approved by OMB when:

- Centralization will result in cost savings due to:
  - Economies of scale
  - Reduced overhead
  - Central cost-based management
  - Coordination which avoids duplication of effort among agencies
- Centralization offers other advantages such as:
  - Improved services to agencies and to the public
  - Availability of services to agencies which could not afford them except on a centralized basis
  - Ability to replace equipment on a long-term basis through the use of depreciation charges to users

The Fund received an initial appropriation of \$400,000 for FY 1944. Over the years, additional working capital has been made available through initial transfers into the Fund of activities meeting the above criteria and through Congressional authorizations to receive growth capital from serviced USDA agencies. For FY 1989 the Fund received an appropriation of \$4,708,000 for capital procurement. These funds were used to purchase new or currently leased equipment for Fund activity centers to provide requested services to agencies of the Department. This investment will avoid lease costs over the useful life of the equipment and result in lower unit costs for central services provided to these users.

WCF operations are financed by charging user agencies the actual costs of providing required services. The following are services financed through the Fund:

Supply and Other Central Services. The Office of Operations manages the following services under this category: (a) central supply, which provides for the acquisition, receipt, storage, issuance, packing, and shipment of office and other supplies, blank forms, and miscellaneous materials for the Department and other Government agencies; (b) central mail services, which include operation of the USDA mail processing, messenger, and automated mailing list services; (c) executive correspondence and records system, which provides referral and correspondence control services for mail addressed to the Secretary, the immediate Office of the Secretary, and the Department; (d) central excess property, which coordinates receipt, rehabilitation, and distribution of personal property for the Department and other Government agencies; (e) central shipping and receiving services; (f) central imprest fund, which provides cash advances for small purchases and travel; (g) automated contract system used by agencies and staff offices to prepare procurement documents; and (h) copier and duplicating services which provide duplicating, reproducing, binding, addressing and mailing, and short-order and walk-up copier stations for duplicating and xerographic production.

Video and Teleconferencing, & Visual Design Services. These activities, managed by the Office of Public Affairs plan, design, and produce visual information materials, exhibits, art, and graphics materials for the Department and other Government agencies.

National Finance Center. This activity in the Office of Finance and Management designs, develops, implements, and operates centralized administrative systems for the Department. Centralized payroll, personnel, voucher and vendor payments, billings and collections, property management, accounting, and financial recordkeeping systems are currently provided. It also produces external financial reports to Treasury and other agencies, and internal management reports for Departmental agencies. In addition, the National Finance Center provides financial and accounting services to a number of other Federal Departments through "cross-servicing" agreements and serves as recordkeeper for the Thrift Savings Plan System under the Federal Employee Retirement System.

Automated Data Processing (ADP) Services. This activity in the Office of Information Resources Management operates the National Computer Centers in Fort Collins, Colorado; and Kansas City, Missouri, to provide ADP services to USDA and other agencies. The Computer Services Unit, which provides ADP services to Departmental Staff Offices and the Office of the Secretary; the Telephone Service Operation office, which coordinates the maintenance and operation of telephone equipment for Washington-area USDA offices; and the Local Area Network office, which provides telecommunications service and support for Washington-area USDA offices, are also managed by the Office of Information Resources Management.

JUSTIFICATION OF INCREASES AND DECREASES

Centralized administrative services enable users to receive high-quality services at the lowest possible cost of operation. Operating services in this manner has resulted in a trend toward minimizing unit costs (measured in constant dollars) for recurring operations in recent years. Expectations of further progress in minimizing unit costs, as well as expected increases in USDA and non-USDA demand for Fund-supported services serve as the basis for the FY 1990 revised and FY 1991 initial Working Capital Fund (WCF) cost estimates.

Centralized administrative services are subject to regular oversight consistent with both Administration management initiatives and Departmental productivity improvement activities. This oversight is undertaken to determine whether these activities should continue as centrally managed services and offers Departmental management analyses of alternative operating methods. Enhanced productivity and cost-effectiveness result. The results of such oversight exercised in FY 1989 are reflected in the revised FY 1990 and initial FY 1991 cost estimates provided. As regular oversight is conducted, these estimates may be adjusted significantly, subject to review and approval by Departmental management.

The following is an explanation of program activity changes from FY 1990 to FY 1991 currently anticipated.

1. An increase of \$603,000 for recurring operations of Supply and Other Central Services consisting of:

|                                        |     |         |
|----------------------------------------|-----|---------|
| Central Supply Stores                  | +\$ | 49,000  |
| Central Supply Forms                   | +   | 109,000 |
| Mail Distribution Service              | +   | 148,000 |
| Executive Correspondence and Records   | +   | 57,000  |
| Agriculture Contract Automation System | +   | 8,000   |
| Central Shipping and Receiving         | +   | 13,000  |
| Central Excess Property Operation      | -   | 5,000   |
| Central Imprest Fund                   | +   | 7,000   |
| Copier/Duplication Center              | +   | 217,000 |
| Total                                  | +\$ | 603,000 |

Need for Change. Cost increases in the Central Supply Stores, Agriculture Contract Automation System, Central Shipping and Receiving, Mail Distribution Service, and Central Imprest Fund are inflationary. Cost increases in Central Supply Forms, Executive Correspondence and Records, and Copier/Duplication Center reflect expected increases in service demand. The reduction in costs for Central Excess Property Operation is a result of reductions in costs incurred for supplies and materials.

Nature of Change. Non-inflationary cost increases in Central Supply Forms are due primarily to increases in building rental costs and costs for printing and reproduction services, both a direct result of expected increases in demand for forms warehousing and distribution services. In Executive Correspondence and Records, non-inflationary costs increases are due primarily to increases in ADP services associated with management of an expected increase in correspondence related to farm legislation. Copier/Duplication Center cost increases not related to inflation reflect increases in operating costs associated with increased workload requests from user agencies.



2. An increase of \$94,000 for recurring operations of Video and Teleconferencing, and Visual Design Services consisting of:

|                                     |            |
|-------------------------------------|------------|
| Video and Teleconferencing Services | +\$ 53,000 |
| Design Services                     | + 41,000   |
| Total                               | +\$ 94,000 |

Need for Change. Video and Teleconferencing cost increases are inflationary. Those for Design Services are primarily inflationary, with other increases reflecting expected increases in graphics and exhibit services.

Nature of Change. Non-inflationary cost increases in Design Services reflect increases in operating costs due to increased workload requests from user agencies in exhibit design and graphics production.

3. An increase of \$4,874,000 for recurring operations of the National Finance Center (NFC).

Need for Change. Cost increases for services provided by the NFC are due to inflationary increases and expected demand increases of about 10 percent of FY 1990 transaction volumes.

Nature of Change. Non-inflationary cost increases at the NFC reflect costs for additional personnel, needed to meet increased non-USDA demand for services, and operating cost increases to process increases in total workload volume.

4. A net decrease of \$1,055,000 for recurring operations of ADP systems consisting of:

|                                       |               |
|---------------------------------------|---------------|
| National Computer Center/Fort Collins | -\$ 1,490,000 |
| National Computer Center/Kansas City  | + 462,000     |
| Computer Services Unit                | + 54,000      |
| Telephone Service Operations          | + 20,000      |
| Local Area Network                    | - 101,000     |
| Total                                 | -\$ 1,055,000 |

Need for Change. Cost increases for the Computer Services Unit and Telephone Service Operations are inflationary. Reductions at the National Computer Center/Fort Collins reflect adjustments to estimates in demand. Reductions in Local Area Network costs are due to completion of a number of system development tasks in FY 1990. Increases in National Computer Center/Kansas City costs are due to inflation and system-related costs in response to expected demand for ADP services.

Nature of Change. Reductions in costs at the National Computer Center/Fort Collins are primarily in personnel, utilities, automated data processing services, and supplies, all of which reflect changes in demand estimates. Reductions in Local Area Network costs are due to lower contract costs associated with system development. Non-inflationary cost increases at the National Computer Center/Kansas City are primarily for contract support in ADP operations and ADP equipment rental costs.



5. An expenditure of \$15,023,000 for capital acquisitions in FY 1991. (\$15,124,000 in FY 1990):

This level of funding for equipment acquisition assumes the use of the \$3,750,000 appropriation requested for additional capitalization of the Fund in FY 1991.

- (1) Capital acquisitions for Supply and Other Central Services of \$1,170,000.

|                                   |               |
|-----------------------------------|---------------|
| Central Supply Stores             | +\$ 42,000    |
| Central Supply Forms              | + 35,000      |
| Mail Distribution Service         | + 196,000     |
| Central Excess Property Operation | + 220,000     |
| Copier/Duplication Center         | + 677,000     |
| Total                             | +\$ 1,170,000 |

Need for Change. Capital procurement amounts for these activities reflect equipment needed to respond to expected demand volumes, improve operational efficiency, and replace obsolete equipment

Nature of Change. Resources for supply management are for improving the efficiency and reliability of warehousing activities. In copier/duplicating services, equipment is needed to improve efficiency and meet expected demand volumes for walk-up and short-turnaround services. Other acquisitions are needed to improve productivity.

- (2) Capital acquisitions for Video and Teleconferencing, and Visual Design Services of \$235,000.

|                                  |             |
|----------------------------------|-------------|
| Visual Design Services           | +\$ 20,000  |
| Video and Teleconferencing Serv. | + 215,000   |
| Total                            | +\$ 235,000 |

Need for Change. Equipment acquisitions are needed to continue replacement of obsolete, unreliable equipment.

Nature of Change. Video and Teleconferencing acquisitions are needed to improve studio services. In Visual design Services, purchases are for improvements in production services.

- (3) Capital acquisitions for the National Finance Center of \$7,127,000.

Need for Change. Capital equipment acquisitions are needed to meet expected increases in demand for administrative services provided by the National Finance Center and to improve productivity of existing systems.

Nature of Change. Acquisitions will improve the operational efficiency of mainframe computer processing, respond to expected increases in service demand, and insure that the Center can respond adequately to emergencies which threaten to interrupt service delivery.

- (4) Capital acquisitions for ADP Services of \$6,491,000.

|                                    |               |
|------------------------------------|---------------|
| National Computer Ctr./Ft. Collins | +\$ 4,418,000 |
| National Computer Ctr./Kansas City | + 2,002,000   |
| Computer Services Unit             | + 71,000      |
| Total                              | +\$ 6,491,000 |

Need for Change. Acquisitions at the National Computer Centers reflect further efforts to modernize mainframe and

peripheral assets, and to improve operating efficiency in ADP services. Computer Services Unit acquisitions will improve productivity in its operations.

Nature of Change. The National Computer Centers will upgrade their mainframe computer environments with the resources allocated. Computer Services Unit purchases will improve and expand communications access in anticipation of increased demand for its services.

Working Capital Fund  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989 and Estimated 1990 and 1991

|                                      | <u>1989</u>        |                    | <u>1990</u>        |                    | <u>1991</u>        |                    |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                      | <u>Amount</u>      | <u>Staff Years</u> | <u>Amount</u>      | <u>Staff Years</u> | <u>Amount</u>      | <u>Staff Years</u> |
| Colorado .....                       | 14,024,000         | 64                 | 9,031,000          | 73                 | 7,541,000          | 73                 |
| District of<br>Columbia .....        | 17,687,000         | 178                | 18,108,000         | 186                | 18,696,000         | 187                |
| Louisiana .....                      | 65,852,000         | 1,223              | 70,956,000         | 1,272              | 75,803,000         | 1,281              |
| Maryland .....                       | 2,179,000          | 6                  | 2,573,000          | 9                  | 2,682,000          | 9                  |
| Missouri .....                       | 31,433,000         | 116                | 36,371,000         | 125                | 36,833,000         | 125                |
| Total, Available<br>or Estimate .... | <u>131,175,000</u> | <u>1,587</u>       | <u>137,039,000</u> | <u>1,665</u>       | <u>141,555,000</u> | <u>1,675</u>       |



## RENTAL PAYMENTS AND BUILDING OPERATIONS

Purpose Statement

This account finances the appropriated portion of payments to the General Services Administration (GSA) for rental of leased space and related services. Funding is not provided for payments to GSA made by the Forest Service, since the Forest Service is funded in the Interior and Related Agencies Appropriations Act.

This account also finances operations and maintenance activities under authorities delegated to the Department by GSA. On October 1, 1984, GSA delegated authority to USDA to operate, maintain, repair and make minor improvements to the USDA downtown D.C. building complex, which encompasses 14.1 acres of ground and four buildings containing approximately three million square feet of space occupied by approximately 8,000 employees. On October 1, 1986, GSA expanded the delegation of authority to include two additional buildings. The first is the warehouse for forms in Lanham, Maryland, and the second is the warehouse for the excess property operation located at 49 L St., S.W., Washington, D.C.

As of September 30, 1989, there were 68 permanent full-time employees assigned to the operations and maintenance activities financed by this account. All were located in Washington, D.C.

## RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                                                                | 1989         |       | 1990         |       | 1991         |       |
|---------------------------------------------------------------------|--------------|-------|--------------|-------|--------------|-------|
|                                                                     | Actual       | Staff | Estimated    | Staff | Estimated    | Staff |
|                                                                     | Amount       | Years | Amount       | Years | Amount       | Years |
| Rental Payments to GSA.....                                         | \$49,363,841 | --    | \$49,037,000 | --    | \$49,305,000 | --    |
| Building Operations....                                             | 21,297,000   | 71    | 22,990,000   | 71    | 25,093,000   | 71    |
| Total, Appropriation...                                             | 70,660,841   | 71    | 72,027,000   | 71    | 74,398,000   | 71    |
| Obligations Under Other:                                            |              |       |              |       |              |       |
| <u>USDA Appropriations:</u>                                         |              |       |              |       |              |       |
| Overtime, utilities & miscellaneous services:                       | 2,799,957    | --    | 1,786,000    | --    | 1,786,000    | --    |
| Total, Rental Payments and Building Operations and Maintenance..... | \$73,460,798 | 71    | \$73,813,000 | 71    | \$76,184,000 | 71    |

Full-time Equivalent Staff-Years:

|                  | <u>1989</u><br><u>Actual</u> | <u>1990</u><br><u>Estimated</u> | <u>1991</u><br><u>Estimated</u> |
|------------------|------------------------------|---------------------------------|---------------------------------|
| Ceiling.....     | 71                           | 71                              | 71                              |
| Non-Ceiling..... | 4                            | 5                               | 5                               |
| Total.....       | <u>75</u>                    | <u>76</u>                       | <u>76</u>                       |



## BUILDING OPERATIONS AND MAINTENANCE

Permanent Positions by Grade and Staff-Year Summary1989 and Estimated 1990 and 1991

| Grade                          | 1989         | 1990         | 1991         |
|--------------------------------|--------------|--------------|--------------|
|                                | Headquarters | Headquarters | Headquarters |
| GS/GM-15.....                  | 1            | 1            | 1            |
| GS/GM-14.....                  | 5            | 5            | 5            |
| GS/GM-13.....                  | 10           | 10           | 10           |
| GS-12.....                     | 11           | 12           | 13           |
| GS-11.....                     | 3            | 4            | 4            |
| GS-10.....                     | --           | --           | --           |
| GS-9.....                      | 3            | 2            | 3            |
| GS-8.....                      | --           | --           | --           |
| GS-7.....                      | 4            | 4            | 4            |
| GS-6.....                      | 2            | 2            | 2            |
| GS-5.....                      | 6            | 6            | 7            |
| GS-4.....                      | 4            | 3            | 1            |
| GS-3.....                      | 1            | 1            | --           |
| GS-2.....                      | --           | --           | --           |
| GS-1.....                      | --           | --           | --           |
| Ungraded Positions..           | 18           | 24           | 24           |
| Total Permanent Positions..... | 68           | 74           | 74           |
| Staff-Years:                   |              |              |              |
| Ceiling.....                   | 71           | 71           | 71           |
| Non-ceiling.....               | 4            | 5            | 5            |
| TOTAL                          | 75           | 76           | 76           |

## RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                          | <u>1989</u>  | <u>1990</u>  | <u>1991</u>  |
|------------------------------------------|--------------|--------------|--------------|
| Personnel Compensation:                  |              |              |              |
| Headquarters                             | \$2,577,057  | \$2,723,000  | \$2,825,000  |
| Field.....                               | <u>--</u>    | <u>--</u>    | <u>--</u>    |
| 11 Total personnel compensation          | 2,577,057    | 2,723,000    | 2,825,000    |
| 12 Personnel Benefits.....               | 382,015      | 302,000      | 317,000      |
| 13 Benefits for former<br>personnel..... | <u>1,208</u> | <u>1,000</u> | <u>1,000</u> |
| Total pers. comp & benefits...           | 2,960,280    | 3,026,000    | 3,143,000    |

## Other Objects:

|                                                           |                   |                   |                   |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|
| 21 Travel.....                                            | 11,430            | 10,000            | 15,000            |
| 22 Transportation of things....                           | 2,193             | 4,000             | 4,000             |
| 23.2 Rental payments to others...                         | 46,363,000        | 46,037,000        | 46,305,000        |
| 23.3 Communications, utilities,<br>and misc. charges..... | 3,553,330         | 4,500,000         | 5,149,000         |
| 24 Printing.....                                          | 13,015            | 19,000            | 20,000            |
| 25 Other services.....                                    | 15,183,700        | 17,778,000        | 19,088,000        |
| 26 Supplies and materials.....                            | 416,181           | 223,000           | 230,000           |
| 31 Equipment.....                                         | 344,302           | 164,000           | 169,000           |
| 32 Lands and structures.....                              | 262,053           | 261,000           | 270,000           |
| 43 Interest.....                                          | <u>898</u>        | <u>5,000</u>      | <u>5,000</u>      |
| Total other objects.....                                  | <u>66,150,102</u> | <u>69,001,000</u> | <u>71,255,000</u> |

|                               |                     |                     |                     |
|-------------------------------|---------------------|---------------------|---------------------|
| Total direct obligations..... | <u>\$69,110,382</u> | <u>\$72,027,000</u> | <u>\$74,398,000</u> |
|-------------------------------|---------------------|---------------------|---------------------|

Position Data:

|                                   |          |          |          |
|-----------------------------------|----------|----------|----------|
| Average Salary, GM/GS position... | \$40,419 | \$42,937 | \$44,575 |
| Average Grade, GM/GS positions... | 9.92     | 10.12    | 10.42    |

## RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rental Payments (USDA)

For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, [\$49,467,000] 49,305,000 of which \$3,000,000 shall be retained by the Department of Agriculture for non-recurring repairs as determined by the Department of Agriculture: Provided, That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 percentum of the funds made available for space rental and related costs to or from this account.

Building Operations and Maintenance

For the operation, maintenance, and repair of Agriculture buildings pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486, [\$23,033,000] \$25,093,000.

## RENTAL PAYMENTS AND BUILDING OPERATIONS AND MAINTENANCE

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$72,500,000      |
| Budget Estimate, 1991.....     | 74,398,000        |
| Increase in Appropriation..... | <u>+1,898,000</u> |

## Adjustments in 1990:

|                                                                             |                   |
|-----------------------------------------------------------------------------|-------------------|
| Appropriations Act, 1990.....                                               | \$72,500,000      |
| Gramm-Rudman-Hollings Reduction (P.L. '99-177).....                         | -203,000          |
| Funds transferred to other agencies for<br>leases transferred from GSA..... | <u>-270,000</u>   |
| Adjusted Base for 1990.....                                                 | 72,027,000        |
| Budget Estimate, 1991.....                                                  | 74,398,000        |
| Increase over adjusted 1990.....                                            | <u>+2,371,000</u> |

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

| <u>Item of Change</u>                       | <u>1990<br/>Estimated</u> | <u>Pay Cost</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|---------------------------------------------|---------------------------|-----------------|----------------------------|---------------------------|
| Rental Payments to GSA.....                 | \$49,037,000              | --              | +\$268,000                 | \$49,305,000              |
| Building Operations and<br>Maintenance..... | 22,990,000                | +\$81,000       | +2,022,000                 | 25,093,000                |
| Total Available.....                        | <u>72,027,000</u>         | <u>+81,000</u>  | <u>+2,290,000</u>          | <u>74,398,000</u>         |

PROJECT STATEMENT

(On basis of adjusted appropriation)

| <u>Item of Change</u>                              | <u>1989<br/>Actual</u> | <u>Staff:<br/>Years</u> | <u>1990<br/>Estimated</u> | <u>Staff:<br/>Years</u> | <u>Increase<br/>or<br/>Decrease</u> | <u>1991<br/>Estimated</u> | <u>Staff:<br/>Years</u> |
|----------------------------------------------------|------------------------|-------------------------|---------------------------|-------------------------|-------------------------------------|---------------------------|-------------------------|
| 1. Rental Payments.....                            | \$49,239,605           | --                      | \$49,037,000              | --                      | +\$268,000                          | \$49,305,000              | --                      |
| 2. Building Operations & Maintenance.....          | 19,870,777             | 71                      | 22,990,000                | 71                      | +2,103,000                          | 25,093,000                | 71                      |
| Unobligated balance.....                           | 1,550,459              | --                      | --                        | --                      | --                                  | --                        | --                      |
| Total, available or estimate.....                  | <u>70,660,841</u>      | <u>71</u>               | <u>72,027,000</u>         | <u>71</u>               | <u>+2,371,000</u>                   | <u>74,398,000</u>         | <u>71</u>               |
| Transfer of leases from GSA to USDA agencies.....  | +1,295,159             | - -                     | +270,000                  | - -                     | - -                                 | - -                       | - -                     |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | - -                    | - -                     | +203,000                  | - -                     | - -                                 | - -                       | - -                     |
| Total, appropriation.....                          | <u>71,956,000</u>      | <u>71</u>               | <u>72,500,000</u>         | <u>71</u>               | <u>+2,371,000</u>                   | <u>74,398,000</u>         | <u>71</u>               |

## EXPLANATION OF PROGRAM

This appropriation provides funding for the following activities:

Rental Payments to GSA. The fiscal year 1983 Agriculture Appropriations Act (P.L. 97-370) consolidated most of the Department's rental payments to the General Services Administration (GSA) into a single appropriation. This activity does not provide funding to cover space costs incurred in other funding areas such as trust funds; the Working Capital Fund and other non-appropriated funds. The amount in this account represents only the appropriated portion of the total Departmental charges for rent payments to the GSA for all agencies and staff offices of the Department except the Forest Service. The fiscal years 1988 and 1989 appropriations acts provided that \$3,000,000 of this appropriation should be retained by USDA for non-recurring repairs.

Building Operations and Maintenance. On October 1, 1984, GSA delegated the operations and maintenance function for the buildings in the D.C. complex to the Department. This activity provides Departmental staff and support services to operate, maintain and repair the buildings in the D.C. complex. GSA expanded the delegation to include two additional buildings on October 1, 1986. GSA retains responsibility for major non-recurring repairs.

## JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$268,000 for rental payments to GSA.

Need for Change. The increase is for the rental payment rate increases as provided by GSA in selected geographic regions applied to the existing inventory of space that agencies will occupy through September 30, 1990, and net increases in space costs due to reclassification of space to a higher rate.

Nature of Change. The additional funds will partially cover GSA charges to the Department to maintain its inventory of 6.7 million square feet of space nationwide.

- (2) An increase of \$2,103,000 for building operations and maintenance, consisting of:

- (a) An increase of \$2,022,000 to cover increased operating costs.

Need for Change. The increase will cover yearly pricing adjustments required by the Fair Labor Standards Act and the Service Contract Act, as well as other costs that will increase when building operations and maintenance contracts are renewed.

Nature of Change. This increase will permit continuation of the FY 1990 level of activity for USDA occupied space in the Washington, D.C. complex.

- (b) An increase of \$42,000 for the 1989 pay raise, with-in-grade increases, promotions, and the extra day of pay, and \$39,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS  
1989 and Estimated 1990 and 1991

|                      | <u>1989</u>   |                    | <u>1990</u>   |                    | <u>1991</u>   |                    |
|----------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|
|                      | <u>Amount</u> | <u>Staff-Years</u> | <u>Amount</u> | <u>Staff-Years</u> | <u>Amount</u> | <u>Staff-Years</u> |
| Washington, D.C..... | \$69,110,382  | 71                 | \$72,027,000  | 71                 | \$74,398,000  | 71                 |





ADVISORY COMMITTEES

Purpose Statement

The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. The Assistant Secretary for Administration is the principal Department Officer responsible for performing functions and coordinating activities of the Act.

The Agriculture, Rural Development and Related Agencies Appropriations Act of 1983 consolidated all USDA advisory committee funds in a separate appropriation, except those in the Forest Service and those paid from user fees.

## ADVISORY COMMITTEES

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                                                                | 1989             |                | 1990             |                | 1991             |                |
|---------------------------------------------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
|                                                                     | Actual           |                | Estimated        |                | Estimated        |                |
|                                                                     | Amount           | Staff<br>Years | Amount           | Staff<br>Years | Amount           | Staff<br>Years |
| USDA Advisory<br>Committees.....                                    | \$1,294,000      | 14             | \$1,494,000      | 14             | \$1,383,000      | 14             |
| National Commission<br>on Agriculture and<br>Rural Development..... | 200,000          | --             | 100,000          | --             | 24,000           | --             |
| Total, Advisory<br>Committees.....                                  | <u>1,494,000</u> | <u>14</u>      | <u>1,594,000</u> | <u>14</u>      | <u>1,407,000</u> | <u>14</u>      |

| Full-time Equivalent<br>Staff-Years: | 1989<br><u>Actual</u> | 1990<br><u>Estimated</u> | 1991<br><u>Estimated</u> |
|--------------------------------------|-----------------------|--------------------------|--------------------------|
| Ceiling.....                         | 14                    | 14                       | 14                       |
| Non-Ceiling.....                     | --                    | --                       | --                       |
| Total.....                           | <u>14</u>             | <u>14</u>                | <u>14</u>                |

## ADVISORY COMMITTEES

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                        | <u>1989</u>      | <u>1990</u>      | <u>1991</u>      |
|--------------------------------------------------------|------------------|------------------|------------------|
| Personnel Compensation:                                |                  |                  |                  |
| 11 Total personnel compensation                        | \$434,000        | \$536,000        | \$529,000        |
| 12 Personnel Benefits.....                             | <u>69,000</u>    | <u>66,000</u>    | <u>65,000</u>    |
| Total Pers. Comp & Benefits...                         | <u>503,000</u>   | <u>602,000</u>   | <u>594,000</u>   |
| Other Objects:                                         |                  |                  |                  |
| 21 Travel.....                                         | 489,000          | 643,000          | 586,000          |
| 22 Transportation of things....                        | 1,000            | 1,000            | 1,000            |
| 23.3 Communications, utilities,<br>and other rent..... | 12,000           | 11,000           | 11,000           |
| 24 Printing and reproduction...                        | 11,000           | 31,000           | 30,000           |
| 25 Other services.....                                 | 150,000          | 269,000          | 160,000          |
| 26 Supplies and materials.....                         | 24,000           | 30,000           | 19,000           |
| 31 Equipment.....                                      | 2,000            | 7,000            | 6,000            |
| 41 Grants & Subsidies and<br>Contributions.....        | <u>40,000</u>    | <u>--</u>        | <u>--</u>        |
| Total other objects.....                               | <u>729,000</u>   | <u>992,000</u>   | <u>813,000</u>   |
| Total direct obligations.....                          | <u>1,232,000</u> | <u>1,594,000</u> | <u>1,407,000</u> |

Position Data:

|                                   |          |          |          |
|-----------------------------------|----------|----------|----------|
| Average Salary, GM/GS position... | \$31,000 | \$38,285 | \$37,785 |
| Average Grade, GM/GS positions... | 11.28    | 11.10    | 11.09    |

## ADVISORY COMMITTEES

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Advisory Committees:

For necessary expenses for activities of Advisory Committees of the Department of Agriculture which are included in this Act, [\$1,494,000] \$1,407,000:  
Provided, That no other funds appropriated to the Department of Agriculture in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees.



## ADVISORY COMMITTEES

|                                |                  |
|--------------------------------|------------------|
| Appropriation Act, 1990.....   | \$1,494,000      |
| Budget Estimate, 1991.....     | <u>1,407,000</u> |
| Decrease in Appropriation..... | <u>- 87,000</u>  |

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

| <u>Item of Change</u>         | <u>1990<br/>Estimated</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|-------------------------------|---------------------------|----------------------------|---------------------------|
| USDA Advisory Committees..... | \$1,494,000               | -\$87,000                  | \$1,407,000               |

PROJECT STATEMENT  
(On basis of appropriation)

| <u>Item of Change</u> | <u>1989<br/>Actual</u> | <u>Staff:</u> | <u>1990<br/>Estimated</u> | <u>Staff:</u> | <u>Increase<br/>or<br/>Decrease</u> | <u>1991<br/>Estimated</u> | <u>Staff</u> |
|-----------------------|------------------------|---------------|---------------------------|---------------|-------------------------------------|---------------------------|--------------|
|                       | <u>Amount</u>          | <u>Years</u>  | <u>Amount</u>             | <u>Years</u>  |                                     | <u>Amount</u>             | <u>Years</u> |
| Advisory.....         |                        |               |                           |               |                                     |                           |              |
| Committees....        | \$1,232,000:           | 14:           | \$1,594,000:              | 14:           | -\$187,000                          | \$1,407,000:              | 14           |
| Unobligated           |                        |               |                           |               |                                     |                           |              |
| Balance               |                        |               |                           |               |                                     |                           |              |
| Lapsing.....          | 262,000:               | --:           | ---                       | --:           | ---                                 | ---                       | --           |
| Unobligated           |                        |               |                           |               |                                     |                           |              |
| Balance               |                        |               |                           |               |                                     |                           |              |
| Brought               |                        |               |                           |               |                                     |                           |              |
| Forward.....          | -100,000:              | --:           | -100,000:                 | --:           | +100,000                            | ---                       | --           |
| Unobligated           |                        |               |                           |               |                                     |                           |              |
| Balance               |                        |               |                           |               |                                     |                           |              |
| Carried For-          |                        |               |                           |               |                                     |                           |              |
| ward.....             | 100,000:               | --:           | ---                       | --:           | ---                                 | ---                       | --           |
| Total,                |                        |               |                           |               |                                     |                           |              |
| Appropri-             |                        |               |                           |               |                                     |                           |              |
| ation.....            | 1,494,000:             | 14:           | 1,494,000:                | 14:           | - 87,000(1):                        | 1,407,000                 | 14           |

EXPLANATION OF PROGRAM

The appropriation provides for direction and financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by user fees or other funds.

The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. In establishing the Act, Congress declared that: committees should be restricted in number to only those essential to provide the necessary expert advice in specialty areas; uniform standards and procedures should govern the establishment, operation, administration and duration of the committees; and Congress should be kept informed of the number and cost of committees.

The FY 1983 Agriculture, Rural Development and Related Agencies Appropriations Act provided a consolidated account for this purpose. Under this consolidated account 36 committees are currently planned for fiscal year 1991. Thirteen are established by statute, and the remaining 23 are established by the Department, either independently, or upon the recommendation of Congress.

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net decrease of \$87,000 for in-house salaries, travel and other services resulting from reduced operating requirements of several committees.

Estimates for the Department's Advisory Committees by major policy area follow.

## USDA ADVISORY COMMITTEES

| <u>Policy Area and Committee Title</u>                             | <u>1989<br/>actual</u> | <u>1990<br/>estimate</u> | <u>1991<br/>estimate</u> |
|--------------------------------------------------------------------|------------------------|--------------------------|--------------------------|
| <u>Food and Consumer Services:</u>                                 |                        |                          |                          |
| Nat'l Adv. Council on Child Nutrition.....                         | \$ 8,824               | --                       | --                       |
| Nat'l Adv. Council on Maternal, Infant and<br>Fetal Nutrition..... | 40,610                 | \$40,210                 | \$39,883                 |
| Nat'l Adv. Council on Commodity Distribution.                      | 56,157                 | 77,403                   | 81,428                   |
| Dietary Guidelines Advisory Committee.....                         | 20,305                 | 104,280                  | 71,911                   |
| Total.....                                                         | 125,896                | 221,893                  | 193,222                  |
| <u>Science and Education:</u>                                      |                        |                          |                          |
| Nat'l Ag. Res. & Exten. Users Adv. Board.....                      | 188,209                | 215,200                  | 215,200                  |
| National Arboretum Advisory Council.....                           | 10,687                 | 13,654                   | 13,654                   |
| Human Nutrition Board of Scient. Counselors..                      | 11,112                 | 18,593                   | 18,593                   |
| Science & Education Comp. Res. Grants.....                         | 12,320                 | 20,800                   | 20,800                   |
| National Plant Genetic Resources Board.....                        | 23,529                 | 28,147                   | --                       |
| Animal Health Science Research Adv. Board....                      | 16,900                 | 20,400                   | 20,400                   |
| Cooperative Forestry Research Adv. Council...                      | 26,246                 | 31,700                   | 31,700                   |
| Committee of Nine.....                                             | 39,594                 | 39,300                   | 39,300                   |
| Agriculture Biotechnology Research Adv. Com..                      | 117,689                | 222,940                  | 222,940                  |
| Total.....                                                         | 446,286                | 610,734                  | 582,587                  |
| <u>Marketing and Inspection Services:</u>                          |                        |                          |                          |
| Federal Grain Inspection Adv. Comm.....                            | 46,099                 | 65,586                   | 65,586                   |
| Nat'l Adv. Comm. on Meat & Poultry Insp...                         | 35,225                 | 25,870                   | 26,003                   |
| Nat'l Adv. Comm. on Microbiological Criteria<br>for Foods.....     | 25,000                 | 50,000                   | 50,252                   |
| Advisory Committees on:                                            |                        |                          |                          |
| Foreign Animal and Poultry Diseases.....                           | 26,948                 | 26,339                   | 26,503                   |
| Swine Health Protection.....                                       | 5,242                  | 9,570                    | --                       |
| Gen. Conf. Comm. of the Nat'l. Poultry<br>Improvement Plan.....    | 6,436                  | 17,680                   | 7,968                    |
| Nat'l Animal Damage Control Adv. Comm.....                         | 38,099                 | 38,950                   | 38,950                   |
| Nat'l Adv. Comm. on Cotton Marketing.....                          | 52,312                 | 33,300                   | 33,300                   |
| Plant Variety Protection Board.....                                | 6,651                  | --                       | --                       |
| Varroa Mite Negotiated Rulemaking Adv. Comm.                       | 28,722                 | --                       | --                       |
| Scrapie Negotiated Rulemaking Adv. Comm.....                       | --                     | 45,510                   | 45,220                   |
| Total.....                                                         | 270,734                | 312,805                  | 293,782                  |
| <u>International Affairs and Commodity Programs:</u>               |                        |                          |                          |
| Agriculture Tech. Adv. Comm. for Trade.....                        | 14,170                 | 14,810                   | 15,538                   |
| Technical Adv. Comm for Trade in:                                  |                        |                          |                          |
| Cotton.....                                                        | 13,135                 | 13,737                   | 14,465                   |
| Fruits and Vegetables.....                                         | 13,135                 | 13,737                   | 14,465                   |
| Grain and Feed.....                                                | 14,170                 | 14,810                   | 15,538                   |
| Livestock and Livestock Products.....                              | 14,170                 | 14,810                   | 15,538                   |
| Oilseeds and Oilseed Products.....                                 | 13,135                 | 13,737                   | 14,465                   |
| Poultry and Eggs.....                                              | 13,135                 | 13,737                   | 14,465                   |
| Tobacco.....                                                       | 13,135                 | 13,737                   | 14,465                   |
| Dairy Products.....                                                | 13,135                 | 13,737                   | 14,465                   |
| Sweeteners.....                                                    | 13,135                 | 13,737                   | 14,465                   |
| Processed Food.....                                                | 13,135                 | 13,737                   | 14,465                   |
| Agribusiness Promotion Council.....                                | 23,700                 | 24,430                   | 25,719                   |
| USDA's Intl. Trade Activities.....                                 | 6,000                  | 6,000                    | --                       |
| Total.....                                                         | 177,290                | 184,756                  | 188,053                  |

Small Community and Rural Development:

|                                             |         |               |               |
|---------------------------------------------|---------|---------------|---------------|
| Nat'l Adv. Council on Rural Development.... | 15,645  | --            | --            |
| Nat'l Comm. on Agriculture and Rural Devel. | 115,806 | 100,000/1     | 25,000        |
| Federal Crop Insurance Adv. Committee.....  | --      | <u>10,000</u> | <u>10,000</u> |
| Total.....                                  | 131,451 | 110,000       | 35,000        |

Economics:

|                                              |        |        |        |
|----------------------------------------------|--------|--------|--------|
| Nat'l Ag. Cost of Prod. Standards Review Bd. | 31,000 | 31,500 | 31,900 |
|----------------------------------------------|--------|--------|--------|

Departmental Administration:

|                                             |        |               |              |
|---------------------------------------------|--------|---------------|--------------|
| Citizen's Adv. Comm. on Equal Opportunity.. | 49,343 | 75,212        | 75,212       |
| Contingencies.....                          | --     | <u>47,100</u> | <u>7,244</u> |

|                                 |                  |                  |                  |
|---------------------------------|------------------|------------------|------------------|
| Total, Advisory Committees..... | <u>1,232,000</u> | <u>1,594,000</u> | <u>1,407,000</u> |
|---------------------------------|------------------|------------------|------------------|

1/ This Commission will be funded from a separate no-year appropriation during Fiscal Year 1990.



## HAZARDOUS WASTE MANAGEMENT

Purpose Statement

This program is designed to promote facility compliance under the requirements of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA). These Acts require Federal agencies to meet the same standards for storage and disposition of hazardous wastes as private businesses. The funds provided for this program enable the Department to address problems posed by past uncontrolled hazardous waste disposal practices and to deal with the regulation of current hazardous substances.

A central fund has been established from which resources are allocated to USDA agencies according to priority of need. This approach permits the Department to correct compliance problems in a systematic manner.

## HAZARDOUS WASTE MANAGEMENT

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

|                         |   |             |         |              |         |              |
|-------------------------|---|-------------|---------|--------------|---------|--------------|
|                         | : | 1989        | :       | 1990         | :       | 1991         |
|                         | : | Actual      | :       | Estimated    | :       | Estimated    |
|                         | : | : Staff     | :       | : Staff      | :       | : Staff      |
| Item                    | : | Amount      | : Years | Amount       | : Years | Amount       |
| Total, Appropriation... | : | \$5,000,000 | : --    | \$19,927,000 | : --    | \$29,586,000 |



## HAZARDOUS WASTE MANAGEMENT

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                               |                            | <u>1989</u>      | <u>1990</u>       | <u>1991</u>       |
|-------------------------------|----------------------------|------------------|-------------------|-------------------|
| Other Objects:                |                            |                  |                   |                   |
| 21                            | Travel.....                | \$ 29,000        | --                | --                |
| 22                            | Transportation of things.. | 32,000           | --                | --                |
| 24                            | Printing and reproduction. | 1,000            | --                | --                |
| 25                            | Other services.....        | 3,038,963        | \$19,927,000      | \$29,586,000      |
| 26                            | Supplies and materials.... | 35,000           | --                | --                |
| 31                            | Equipment.....             | 44,000           | --                | --                |
| 32                            | Land and structure.....    | <u>287,000</u>   | <u>--</u>         | <u>--</u>         |
| Total direct obligations..... |                            | <u>3,466,963</u> | <u>19,927,000</u> | <u>29,586,000</u> |

## Hazardous Waste Management

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets) :

Hazardous Waste Management

For necessary expenses of the Department of Agriculture, except for expenses of the Commodity Credit Corporation, to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, [\$20,000,000] \$29,586,000, to remain available until expended: Provided, That appropriations and funds available herein to the Department of Agriculture for hazardous waste management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

## HAZARDOUS WASTE MANAGEMENT

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$20,000,000      |
| Budget Estimate, 1991.....     | <u>29,586,000</u> |
| Increase in Appropriation..... | <u>+9,586,000</u> |

## Adjustment in 1990

|                                                   |                |                   |
|---------------------------------------------------|----------------|-------------------|
| Appropriation Act, 1990.....                      | \$20,000,000   |                   |
| Gramm-Rudman-Hollings Reduction (P.L.99-177)..... | <u>-73,000</u> |                   |
| Adjusted base for 1990.....                       |                | 19,927,000        |
| Budget estimate, 1991.....                        |                | <u>29,586,000</u> |
| Increase over adjusted 1990.....                  |                | <u>+9,659,000</u> |

SUMMARY OF INCREASE AND DECREASE  
(on basis of appropriation)

| <u>Item of Change</u>           | <u>1990<br/>Estimated</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|---------------------------------|---------------------------|----------------------------|---------------------------|
| Hazardous Waste Management..... | \$19,927,000              | +\$9,659,000               | \$29,586,000              |

PROJECT STATEMENT  
(on basis of adjusted appropriation)

|                       | 1989             |               | 1990              |                 | 1991          |
|-----------------------|------------------|---------------|-------------------|-----------------|---------------|
|                       | Actual           |               | Estimated         | Increase        | Estimated     |
| <u>Item of Change</u> | <u>Amount</u>    | <u>Staff:</u> | <u>Amount</u>     | <u>Staff:</u>   | <u>Amount</u> |
|                       |                  | <u>Years:</u> |                   | <u>Years:</u>   |               |
|                       |                  |               |                   | <u>or</u>       |               |
|                       |                  |               |                   | <u>Decrease</u> |               |
| Hazardous             |                  |               |                   |                 |               |
| Waste Mgmt.....       | \$3,466,963      | --            | \$19,927,000      | --              | \$29,586,000  |
| Unobligated           |                  |               |                   |                 |               |
| balance, start        |                  |               |                   |                 |               |
| of year.....          | -1,255,729       | --            | -2,788,766        | --              | -2,788,766    |
| Unobligated           |                  |               |                   |                 |               |
| balance, end          |                  |               |                   |                 |               |
| of year.....          | +2,788,766       | --            | +2,788,766        | --              | +2,788,766    |
| Total available       |                  |               |                   |                 |               |
| or estimate.....      | 5,000,000        | --            | 19,927,000        | --              | 29,586,000    |
| Gramm-Rudman....      |                  |               |                   |                 |               |
| Hollings Reduc-.      |                  |               |                   |                 |               |
| tion(P.L.99-177):     | --               | --            | +73,000           | --              |               |
| Total                 |                  |               |                   |                 |               |
| Appropriation....     | <u>5,000,000</u> | --            | <u>20,000,000</u> | --              |               |

### EXPLANATION OF PROGRAM

This appropriation funds the Department's efforts to identify, assess, contain, and clean up hazardous waste sites in areas covered by programs of the Department or within Departmental jurisdiction. These responsibilities were imposed on all Federal agencies by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

Since the Department identified a number of hazardous waste sites requiring remedial action, a central fund was established in fiscal year 1988. Resources from this fund are allocated to Departmental agencies according to priority needs. The agencies receiving these funds in fiscal year 1990 are the Agricultural Research Service, the Animal and Plant Health Inspection Service, the Farmers Home Administration, the Food Safety and Inspection Service, the Forest Service, the Soil Conservation Service, and the Office of the General Counsel.

### JUSTIFICATION OF INCREASES AND DECREASES

A net increase of \$9,659,000 to undertake hazardous waste compliance activities associated with remediation of ground or surface water contamination under the CERCLA and with meeting underground storage tank requirements under the RCRA. (\$19,927,000 available in 1990).

Need for Change. The Department's hazardous waste management program is intended to insure compliance with the applicable environmental laws. The Superfund Amendments and Reauthorization Act (SARA) established specific deadlines for completing the various phases of this work. The Federal Agency Hazardous Waste Compliance Docket is the Environmental Protection Agency's (EPA) and the general public's mechanism for tracking the progress of individual projects.

The USDA fiscal year 1991 program will move toward completion of site discovery and identification, preliminary assessments, and site investigations for those sites currently not listed on the Docket, but which have the potential for inclusion.

The CERCLA portion of the program will also include the design of clean-up strategies and clean-up at a number of sites where the work has progressed to these stages. Approximately \$12 million more is needed for site assessment and clean up of abandoned mining sites to comply with the CERCLA in 1991. This increase would be offset by \$1.5 million of reductions in planning and site assessment, therefore a net increase of \$10.5 million is requested.

The RCRA portion of the program will be directed to compliance with underground storage tank (UST) requirements. A majority of these tanks are old enough to require removal and replacement according to EPA regulations.

In fiscal year 1991 the estimated cost of removing and replacing storage tanks is increasing. Costs associated with cleanup of leaking tanks and contaminated soil and/or ground water are also increasing. However, there are cost reductions of \$4.7 million anticipated in the planning stages as projects move towards completion. There is a \$3 million increase for municipal landfills which are under special use permits to the Federal government. All together we will need approximately \$3.8 million additional to comply with RCRA in fiscal year 1991. This increase will be offset by savings in the planning stages for an effective \$.9 million reduction to total program costs as shown by the table below.

Hazardous Waste Management  
FY 1991 Estimated Program Changes  
(Dollars in Millions)

CERCLA

|                    |             |
|--------------------|-------------|
| Abandoned Mines    | \$12.0      |
| Planning Reduction | <u>-1.5</u> |
| Subtotal           | 10.5        |

RCRA

|                    |             |
|--------------------|-------------|
| (Storage Tanks)    | \$ 3.8      |
| Planning Reduction | <u>-4.7</u> |
| Subtotal           | -.9         |

|                |              |
|----------------|--------------|
| Total Increase | <u>\$9.6</u> |
|----------------|--------------|

Nature of Change. The request for fiscal year 1991 provides most of the agencies involved with the capability to continue an effective hazardous waste management program. For CERCLA facilities, the work will involve remedial activities, which include preliminary site assessments, site investigations, analyses to identify potential problems, cleanup strategies, and cleanup of individual sites. Because of the specialized training and expertise that is needed to conduct these types of activities, most of the work will be handled through contracting with qualified consulting firms.

For RCRA facilities, the work will involve underground storage tank leak testing, repair or replacement, and contamination clean-up at landfills as necessary. It will also provide for tank removals to help achieve the objectives of the Department's efforts to eliminate Government-owned fuel facilities.

Allocations to USDA agencies are shown below. The allocations for fiscal year 1991 are tentative, based on current program status.

Current and Proposed Allocation of Funds  
for Hazardous Waste Management  
(Dollars in Thousands)

| USDA Agency                                | 1990<br>estimate | 1991<br>estimate |
|--------------------------------------------|------------------|------------------|
| Agricultural Research Service.....         | \$5,800          | \$5,386          |
| Animal and Plant Health Inspection Service | 365              | 253              |
| Farmers Home Administration.....           | 489              | 500              |
| Food Safety and Inspection Service.....    | 200              | 38               |
| Forest Service.....                        | 12,800           | 23,145           |
| Office of the General Counsel.....         | 100              | 100              |
| Soil Conservation Service.....             | <u>173</u>       | <u>164</u>       |
| Total Allocations.....                     | <u>19,927</u>    | <u>29,586</u>    |





## OFFICE OF PUBLIC AFFAIRS

Purpose Statement

The Office of Public Affairs (OPA) was established by the Assistant Secretary for Administration on October 1, 1989, under the delegated authority contained in 7 CFR, Part 2.25, and the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201).

The Office of Public Affairs retains two of the three functions performed by the old Office of Governmental and Public Affairs--Public Affairs and Intergovernmental Affairs. The third function, Congressional Relations, was transferred to the Office of the Secretary under the same delegation of authority that created OPA.

The Office of Public Affairs provides leadership, expertise, and counsel for the development of public affairs strategies which are vital to the overall formulation, awareness, and acceptance of U.S. Department of Agriculture programs and policies. OPA serves as the principal USDA contact point for dissemination of consistent, timely information.

The two major programs are:

1. Public Affairs. Provides direction, leadership and balance in the development and delivery of useful information through all media to the public on USDA's involvement in all areas of agriculture, including: research, educational and regulatory activities; nutrition, conservation and farm programs; forestry and international agriculture. It also serves as the focal point for liaison between the Department and the public, including the many associations and companies representing America's food and fiber system, with emphasis on policy education.
2. Intergovernmental Affairs. Directs and coordinates all programs involving the implementation of USDA policies and procedures applicable to the Department's intra and intergovernmental relations.

The Office of Public Affairs also provides centralized services financed through the Working Capital Fund in the areas of video and teleconference, and design and exhibits. Other centralized services are provided by the photography, printing, and publishing unit. The agency is located in Washington, DC. As of September 30, 1989, there were 142 employees. Of this total, 133 were full-time permanent and 9 were other than full-time employees.

## OFFICE OF PUBLIC AFFAIRS

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                     | 1989         |       | 1990         |       | 1991         |       |
|--------------------------|--------------|-------|--------------|-------|--------------|-------|
|                          | Actual       | Staff | Estimated    | Staff | Estimated    | Staff |
|                          | Amount       | Years | Amount       | Years | Amount       | Years |
| Direct Appropriation...  | \$8,412,000: | 116   | \$8,493,000: | 125   | \$8,882,000: | 125   |
| Obligations Under Other: |              |       |              |       |              |       |
| USDA /Appropriations:    |              |       |              |       |              |       |
| Consolidated Orders....  | 237,445:     | --    | --:          | --    | --:          | --    |
| Agency Photo Service...  | 565,222:     | --    | 560,000:     | --    | 585,000:     | --    |
| Electronic Dissemina-    |              |       |              |       |              |       |
| tion of Information...   | 270,369:     | --    | --:          | --    | --:          | --    |
| Ag Journalist            |              |       |              |       |              |       |
| Conference.....          | 187:         | --    | 15,000:      | --    | 15,000:      | --    |
| Admin. Support to        |              |       |              |       |              |       |
| Working Capital Fund..   | 39,777:      | 2     | 50,000:      | 2     | 50,000:      | 2     |
| Total, Reimbursements..  | 1,113,000:   | 2     | 625,000:     | 2     | 650,000:     | 2     |
| Working Capital Fund:    |              |       |              |       |              |       |
| Video & Teleconference   |              |       |              |       |              |       |
| and Visual Design        |              |       |              |       |              |       |
| Services.....            | 3,616,000:   | 23    | 3,635,000:   | 26    | 3,729,000:   | 26    |
| Total, Working Capital   |              |       |              |       |              |       |
| Fund.....                | 3,616,000:   | 23    | 3,635,000:   | 26    | 3,729,000:   | 26    |
| Total, Other USDA        |              |       |              |       |              |       |
| Appropriations.....      | 4,729,000:   | 25    | 4,260,000:   | 28    | 4,379,000:   | 28    |
| Total, Agriculture       |              |       |              |       |              |       |
| Appropriations.....      | 13,141,000:  | 141   | 12,753,000:  | 153   | 13,261,000:  | 153   |
| Non-Federal Funds:       |              |       |              |       |              |       |
| Sale of Photos & Slides: | 9,000:       | --    | 9,000:       | --    | 9,000:       | --    |
| Total, Office of Public: |              |       |              |       |              |       |
| Affairs.....             | 13,150,000:  | 141   | 12,762,000:  | 153   | 13,270,000:  | 153   |

Full-time Equivalent  
Staff-Years:

|                  | 1989<br>Actual | 1990<br>Estimated | 1991<br>Estimated |
|------------------|----------------|-------------------|-------------------|
| Ceiling.....     | 141            | 153               | 153               |
| Non-Ceiling..... | 1              | 4                 | 4                 |
| Total.....       | 142            | 157               | 157               |

## OFFICE OF PUBLIC AFFAIRS

Permanent Positions by Grade and Staff-Year Summary1989 and Estimated 1990 and 1991

| Grade                          | 1989         | 1990         | 1991         |
|--------------------------------|--------------|--------------|--------------|
|                                | Headquarters | Headquarters | Headquarters |
| ES-6.....                      | 1            | 1            | 1            |
| ES-5.....                      | 0            | 0            | 0            |
| ES-4.....                      | 1            | 2            | 2            |
| ES-3.....                      | 0            | 0            | 0            |
| ES-2.....                      | 0            | 0            | 0            |
| ES-1.....                      | 1            | 5            | 5            |
| GS/GM-15.....                  | 8            | 13           | 13           |
| GS/GM-14.....                  | 25           | 26           | 26           |
| GS/GM-13.....                  | 21           | 21           | 21           |
| GS-12.....                     | 17           | 18           | 18           |
| GS-11.....                     | 10           | 11           | 11           |
| GS-10.....                     | ---          | --           | --           |
| GS-9.....                      | 12           | 13           | 13           |
| GS-8.....                      | 3            | 3            | 3            |
| GS-7.....                      | 18           | 18           | 18           |
| GS-6.....                      | 3            | 6            | 6            |
| GS-5.....                      | 4            | 5            | 5            |
| GS-4.....                      | 4            | 5            | 5            |
| GS-3.....                      | 0            | 0            | 0            |
| GS-2.....                      | 0            | 0            | 0            |
| GS-1.....                      | 0            | 0            | 0            |
| Ungraded Positions..           | 5            | 6            | 6            |
| Total Permanent Positions..... | 133          | 153          | 153          |
| Staff-Years:                   |              |              |              |
| Ceiling.....                   | 141          | 153          | 153          |
| Non-ceiling.....               | 1            | 4            | 4            |
| TOTAL                          | 142          | 157          | 157          |

## OFFICE OF PUBLIC AFFAIRS

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                           | <u>1989</u>      | <u>1990</u>      | <u>1991</u>      |
|-----------------------------------------------------------|------------------|------------------|------------------|
| Personnel Compensation:                                   |                  |                  |                  |
| Headquarters                                              | \$4,806,000      | \$5,360,000      | \$5,636,000      |
| 11 Total personnel compensation                           | 4,806,000        | 5,360,000        | 5,636,000        |
| 12 Personnel Benefits.....                                | 595,000          | 716,000          | 732,000          |
| 13 Benefits for former<br>personnel.....                  | <u>11,000</u>    | <u>13,000</u>    | <u>14,000</u>    |
| Total pers. comp & benefits...                            | 5,412,000        | 6,089,000        | 6,382,000        |
| Other Objects:                                            |                  |                  |                  |
| 21 Travel.....                                            | 92,000           | 100,000          | 107,000          |
| 22 Transportation of things....                           | 9,000            | 8,000            | 9,000            |
| 23.2 Rental payments to others..                          | --               | --               | --               |
| 23.3 Communications, utilities,<br>and misc. charges..... | 547,000          | 574,000          | 634,000          |
| 24 Printing.....                                          | 808,000          | 754,000          | 811,000          |
| 25 Other services.....                                    | 990,000          | 760,000          | 727,000          |
| 26 Supplies and materials.....                            | 146,000          | 119,000          | 123,000          |
| 31 Equipment.....                                         | <u>156,000</u>   | <u>89,000</u>    | <u>89,000</u>    |
| Total other objects.....                                  | <u>2,748,000</u> | <u>2,404,000</u> | <u>2,500,000</u> |
| Total direct obligations.....                             | <u>8,160,000</u> | <u>8,493,000</u> | <u>8,882,000</u> |
| <u>Position Data:</u>                                     |                  |                  |                  |
| Average Salary, ES positions.....                         | \$77,947         | \$75,696         | \$81,050         |
| Average Salary, GM/GS position.                           | \$40,423         | \$41,353         | \$41,400         |
| Average Grade, GM/GS positions...                         | 10.84            | 11.02            | 11.04            |

OFFICE OF PUBLIC AFFAIRS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

1 Office of [Governmental and] Public Affairs

## [Public Affairs]

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, [\$7,964,000] \$8,442,000 including employment pursuant to the second sentence of Section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: Provided, that in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

## 2 [Congressional Relations]

[For necessary expenses for liaison with the Congress on legislative matters, \$542,000.]

## 3 [Intergovernmental Affairs]

For necessary expenses for programs involving intergovernmental affairs, and liaison within the executive branch, [\$479,000] \$440,000.

The first change in language is to change the name of the Office of Governmental and Public Affairs to the Office of Public Affairs. A reorganization dissolved the old Office of Governmental and Public Affairs and created the Office of Public Affairs in its place. This change makes appropriation language consistent with current organization structure.

The second change reflects the move of the Congressional Relations function from the Office of Governmental and Public Affairs to the Office of the Assistant Secretary for Congressional Relations. This transfer of functions was accomplished as part of the reorganization of the Office of Governmental and Public Affairs.

The third change merges amounts appropriated to two separate accounts into a single appropriation. The Rural Development, Agriculture and Related Agencies Appropriation Act, 1990 contained separate appropriation accounts for the Office of Governmental and Public Affairs.

The FY 1991 Budget proposes to reestablish a single appropriation for these activities, and identify each individual activity as a line item within the Office.



## OFFICE OF PUBLIC AFFAIRS

|                                |                  |
|--------------------------------|------------------|
| Appropriation Act, 1990.....   | \$8,985,000      |
| Budget Estimate, 1991.....     | <u>8,882,000</u> |
| Decrease in Appropriation..... | <u>-103,000</u>  |

## Adjustments in 1990

|                                                                                    |                |                  |
|------------------------------------------------------------------------------------|----------------|------------------|
| Appropriation Act, 1990.....                                                       | \$8,985,000    |                  |
| Activity transferred to the Assistant Secretary for Congressional Relations a/.... | -542,000       |                  |
| Activity transferred from the Office of the Secretary b/.....                      | <u>+50,000</u> |                  |
| Adjusted base for 1990.....                                                        |                | \$8,493,000      |
| Budget estimate 1991.....                                                          |                | <u>8,882,000</u> |
| Increase over adjusted 1990.....                                                   |                | <u>+389,000</u>  |

a/ Pursuant to the authority given to the Secretary, in the Reorganization Plan Number 2 of 1953, functions of the Office of Congressional Relations were transferred to the Assistant Secretary for Congressional Relations at the beginning of 1990. Actual transfer of funds of \$542,000 was made at that time.

b/ Pursuant to the authority cited above, the press office function in the Office of the Secretary was transferred to this office at the beginning of 1990. Actual transfer of funds was \$50,000.

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

| <u>Item of Change</u>          | <u>1990<br/>Estimated</u> | <u>Pay Cost</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|--------------------------------|---------------------------|-----------------|----------------------------|---------------------------|
| Public Affairs.....            | \$8,072,000               | +\$288,000      | +\$82,000                  | \$8,442,000               |
| Intergovernmental Affairs..... | <u>421,000</u>            | <u>+16,000</u>  | <u>+3,000</u>              | <u>440,000</u>            |
| Total Available.....           | <u>8,493,000</u>          | <u>+304,000</u> | <u>+85,000</u>             | <u>8,882,000</u>          |

PROJECT STATEMENT

(on basis of adjusted appropriation)

|                                               | 1989             |                 | 1990             |                 | 1991             |
|-----------------------------------------------|------------------|-----------------|------------------|-----------------|------------------|
|                                               | Actual           |                 | Estimated        | Increase        | Estimated        |
| Item of Change                                | Amount           | Staff:<br>Years | Amount           | Staff:<br>Years | Amount           |
| Public Affairs...                             | \$7,740,000      | 112             | \$8,072,000      | 119             | \$8,442,000      |
| Intergov. Aff.                                | 420,000          | 4               | 421,000          | 6               | 440,000          |
| Unobligated balance.....                      | 252,000          | --              | --               | --              | --               |
| Total available or estimate....               | <u>8,412,000</u> | 116             | <u>8,493,000</u> | 125             | <u>8,882,000</u> |
| Transferred to the Asst. Secy for Cong. Rel.: |                  |                 |                  |                 |                  |
|                                               | +497,000         | +7              | +542,000         |                 |                  |
| Transferred from Office of the Secretary..... | -50,000          |                 | -50,000          |                 |                  |
| Total, appropriations.....                    | <u>8,859,000</u> | 123             | <u>8,985,000</u> |                 |                  |



EXPLANATION OF PROGRAM

The appropriation for the Office of Public Affairs funds the activities established pursuant to the relevant sections of Secretary's Memorandum No. 1927, dated October 5, 1977, and the authority contained in 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201). The activities carried out are as follows:

--Public Affairs - Public Affairs provides leadership, expertise, and counsel for the development of public affairs strategies which are vital to the overall formulation, awareness, and acceptance of U.S. Department of Agriculture programs and policies. Public Affairs serves as the principal USDA contact point for dissemination of consistent, timely information.

--Intergovernmental Affairs - Directs and coordinates programs involving the implementation of USDA policies and procedures applicable to the Department's intergovernmental affairs and relations with other Departments.

JUSTIFICATION OF INCREASES AND DECREASES(1) An increase of \$370,000 for Public Affairs consisting of:(a) An increase of \$82,000 for increased operating costs.

Need for Change. These funds will enable the office to meet rising operating costs.

Nature of change. This increase will cover costs associated with inflation, e.g. communications, printing, supplies and other services.

(b) An increase of \$177,000 for the 1989 pay raise and \$111,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.(2) An increase of \$19,000 for Intergovernmental Affairs consisting of:(a) An increase of \$3,000 for increased operating costs.

Need for Change. These funds will enable the offices to meet rising operating costs.

Nature of change. This increase will cover costs associated with inflation, e.g. communications, printing, supplies and other services.

(b) An increase of \$2,000 for the 1989 pay raise and \$14,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989, and estimated 1990 and 1991

|                  | <u>1989</u>   |                    | <u>1990</u>   |                    | <u>1991</u>   |                    |
|------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|
|                  | <u>Amount</u> | <u>Staff Years</u> | <u>Amount</u> | <u>Staff Years</u> | <u>Amount</u> | <u>Staff Years</u> |
| Washington, D.C. | \$8,160,000   | 116                | \$8,493,000   | 125                | \$8,882,000   | 125                |



## OFFICE OF THE INSPECTOR GENERAL

Purpose Statement

Pursuant to the Inspector General Act of 1978, (5 U.S.C. app. 3), the Office of the Inspector General:

- (1) provides policy direction and conducts, supervises and coordinates all audits and investigations;
- (2) reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations, and the prevention and detection of fraud, waste and mismanagement in such programs;
- (3) recommends policies for and conducts, supervises or coordinates other activities in the Department whose purposes are to promote economy and efficiency or prevent and detect fraud, waste and mismanagement;
- (4) recommends policies for and conducts, supervises or coordinates relationships between the Department and other Federal, State and local government agencies concerning: (a) promoting economy and efficiency; (b) preventing and detecting fraud, waste and mismanagement; and (c) identifying and prosecuting people involved in fraud, waste and mismanagement; and
- (5) keeps the Secretary and the Congress fully and currently informed about fraud, other serious problems, waste, mismanagement and deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problem.

The Office of the Inspector General is headquartered in Washington, D.C., and has regional offices in the following cities: New York, New York; Hyattsville, Maryland; Atlanta, Georgia; Chicago, Illinois; Temple, Texas; Kansas City, Missouri; and San Francisco, California. As of September 30, 1989, total on board employment was 834 including 810 full-time and 24 other employees. There were 222 employees located in Headquarters and 612 located in the field.

## OFFICE OF THE INSPECTOR GENERAL

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                                              | 1989<br>Actual | Staff-<br>Years | 1990<br>Estimated | Staff-<br>Years | 1991<br>Estimated | Staff<br>Years |
|---------------------------------------------------|----------------|-----------------|-------------------|-----------------|-------------------|----------------|
| Office of the Inspector:<br>General .....         | \$50,510,000   | 860             | \$51,779,000      | 860             | \$57,630,000      | 870            |
| Obligations under other:<br>USDA appropriations.. | 483,654        | --              | --                | --              | --                | --             |
| TOTAL, OIG .....                                  | 50,993,654     | 860             | 51,779,000        | 860             | 57,630,000        | 870            |

| Full-time Equivalent<br>Staff-Years: | 1989<br><u>Actual</u> | 1990<br><u>Estimated</u> | 1991<br><u>Estimated</u> |
|--------------------------------------|-----------------------|--------------------------|--------------------------|
| Ceiling .....                        | 860                   | 860                      | 870                      |
| Non-ceiling .....                    | 30                    | 30                       | 30                       |
| Total .....                          | 890                   | 890                      | 900                      |

## OFFICE OF THE INSPECTOR GENERAL

Permanent Positions by Grade and Staff-Year Summary  
FY 1989 and Estimated FY 1990 and 1991

| Grade                     | 1989          |        |       | 1990          |        |       | 1991          |        |       |
|---------------------------|---------------|--------|-------|---------------|--------|-------|---------------|--------|-------|
|                           | Headquarters: | Field: | Total | Headquarters: | Field: | Total | Headquarters: | Field: | Total |
| Executive Level IV .....  | 1             | 0      | 1     | 1             | 0      | 1     | 1             | 0      | 1     |
| ES 5 .....                | 1             | 0      | 1     | 1             | 0      | 1     | 1             | 0      | 1     |
| ES 4 .....                | 3             | 0      | 3     | 3             | 0      | 3     | 3             | 0      | 3     |
| ES 3 .....                | 3             | 0      | 3     | 3             | 0      | 3     | 3             | 0      | 3     |
| ES 2 .....                | 1             | 0      | 1     | 1             | 0      | 1     | 1             | 0      | 1     |
| GS/GM 15 .....            | 14            | 13     | 27    | 14            | 13     | 27    | 14            | 13     | 27    |
| GS/GM 14 .....            | 22            | 42     | 64    | 23            | 42     | 65    | 23            | 42     | 65    |
| GS/GM 13 .....            | 38            | 123    | 161   | 37            | 123    | 160   | 37            | 123    | 160   |
| GS-12 .....               | 12            | 217    | 229   | 12            | 217    | 229   | 12            | 219    | 231   |
| GS-11 .....               | 11            | 63     | 74    | 11            | 63     | 74    | 11            | 63     | 74    |
| GS-9 .....                | 4             | 59     | 63    | 4             | 59     | 63    | 4             | 61     | 65    |
| GS-8 .....                | 2             | 0      | 2     | 2             | 0      | 2     | 2             | 0      | 2     |
| GS-7 .....                | 14            | 89     | 103   | 14            | 89     | 103   | 14            | 92     | 106   |
| GS-6 .....                | 7             | 23     | 30    | 7             | 23     | 30    | 7             | 23     | 30    |
| GS-5 .....                | 7             | 40     | 47    | 7             | 40     | 47    | 7             | 43     | 50    |
| GS-4 .....                | 3             | 21     | 24    | 3             | 21     | 24    | 3             | 21     | 24    |
| GS-3 .....                | 2             | 5      | 7     | 2             | 5      | 7     | 2             | 5      | 7     |
| Total Permanent Positions | 145           | 695    | 840   | 145           | 695    | 840   | 145           | 705    | 850   |
| Staff-Years:              |               |        |       |               |        |       |               |        |       |
| Ceiling .....             | 151           | 709    | 860   | 151           | 709    | 860   | 151           | 719    | 870   |
| Non-ceiling .....         | 3             | 27     | 30    | 3             | 27     | 30    | 3             | 27     | 30    |
| Total .....               | 154           | 736    | 890   | 154           | 736    | 890   | 154           | 746    | 900   |

## OFFICE OF THE INSPECTOR GENERAL

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

| Personnel Compensation:                                   | 1989        | 1990        | 1991        |
|-----------------------------------------------------------|-------------|-------------|-------------|
| Headquarters .....                                        | \$7,159,303 | \$7,345,000 | \$7,807,000 |
| Field .....                                               | 25,178,376  | 25,946,000  | 27,931,000  |
| 11 Total personnel compensation                           | 32,337,679  | 33,291,000  | 35,738,000  |
| 12 Personnel benefits .....                               | 6,306,826   | 6,497,000   | 7,320,000   |
| 13 Former personnel .....                                 | 12,804      | 13,000      | 14,000      |
| Total personnel compensation<br>benefits .....            | 38,657,309  | 39,801,000  | 43,072,000  |
| Other Objects:                                            |             |             |             |
| 21 Travel .....                                           | 4,292,569   | 4,371,000   | 4,945,000   |
| 22 Transportation of things ...                           | 185,170     | 188,000     | 347,000     |
| 23.2 Rental payments to others ..                         | 169,380     | 172,000     | 189,000     |
| 23.3 Communications, utilities<br>and misc. charges ..... | 2,212,526   | 2,253,000   | 2,525,000   |
| 24 Printing and reproduction ..                           | 81,964      | 83,000      | 100,000     |
| 25 Other services .....                                   | 3,472,541   | 3,547,000   | 4,006,000   |
| 26 Supplies and materials .....                           | 632,792     | 645,000     | 714,000     |
| 31 Equipment .....                                        | 706,102     | 719,000     | 1,732,000   |
| 42 Insurance and indemnities ..                           | 9,892       | 0           | 0           |
| 43 Interest and dividends .....                           | 1,311       | 0           | 0           |
| Total other objects .....                                 | 11,764,247  | 11,978,000  | 14,558,000  |
| Total direct obligations .....                            | 50,421,556  | 51,779,000  | 57,630,000  |

Position Data:

|                                     |          |          |          |
|-------------------------------------|----------|----------|----------|
| Average Salary, ES positions .....  | \$74,000 | \$78,000 | \$95,000 |
| Average Salary, GM/GS positions ... | \$37,400 | \$38,000 | \$40,000 |
| Average Grade, GM/GS positions .... | 10.75    | 10.75    | 10.75    |



## OFFICE OF THE INSPECTOR GENERAL

The estimate includes proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of the Inspector General

- 1 For necessary expenses of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), [~~\$52,053,000~~] and the Inspector General Act of 1978, as amended, \$57,630,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978, as amended [(Public Law 95-452)], and including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98.

These changes in language are for the purpose of clarification of the law.

## OFFICE OF THE INSPECTOR GENERAL

|                                     |                   |
|-------------------------------------|-------------------|
| Appropriation Act, 1990 . . . . .   | \$ 52,053,000     |
| Budget Estimate, 1991 . . . . .     | 57,630,000        |
| Increase in Appropriation . . . . . | <u>+5,577,000</u> |

## Adjustments in 1990

|                                                         |                   |
|---------------------------------------------------------|-------------------|
| Appropriation Act, 1990 . . . . .                       | \$ 52,053,000     |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177) . . . . . | <u>-274,000</u>   |
| Adjusted base for 1990 . . . . .                        | \$ 51,779,000     |
| Budget estimate . . . . .                               | 57,630,000        |
| Increase over adjusted 1990 . . . . .                   | <u>+5,851,000</u> |

SUMMARY OF INCREASES  
(On basis of adjusted appropriation)

| <u>Item of Change</u>    | <u>1990<br/>Estimated</u> | <u>Pay Cost<br/>Increase</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|--------------------------|---------------------------|------------------------------|----------------------------|---------------------------|
| Audit and Investigations | \$51,779,000              | +\$2,284,000                 | +\$3,567,000               | \$57,630,000              |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Project                       | 1989 Actual  |         | 1990 Estimated |         | 1991 Estimated |              |     |
|-------------------------------|--------------|---------|----------------|---------|----------------|--------------|-----|
|                               | Amount       | Staff   | Amount         | Staff   | Amount         | Staff        |     |
|                               | : Years      | : Years | : Years        | : Years | : Years        | : Years      |     |
| Audit and Investigations      | \$50,421,556 | 860     | \$51,779,000   | 860     | +\$5,851,000   | \$57,630,000 | 870 |
| Unobligated . . . . .         | 88,444       | —       | —              | —       | —              | —            | —   |
| Total Available . . . . .     |              |         |                |         |                |              |     |
| or estimate . . . . .         | 50,510,000   | 860     | 51,779,000     | 860     | +\$5,851,000   | 57,630,000   | 870 |
| Gramm-Rudman-Hollings         |              |         |                |         |                |              |     |
| Reduction . . . . .           | —            | —       | 274,000        | —       | —              | —            | —   |
| Total, appropriation. . . . . | 50,510,000   | 860     | 52,053,000     | 860     | +\$5,851,000   | 57,630,000   | 870 |

EXPLANATION OF PROGRAM

This appropriation funds the activities authorized by the Inspector General Act of 1978 as amended. This Act expanded and provided specific authorities for the activities of the Office of the Inspector General which had previously been carried out under the general authorities of the Secretary of Agriculture. The Inspector General:

- conducts and supervises audits and investigations relating to programs and operations of the Department of Agriculture;
- provides leadership and coordination and recommends policies for activities designed (a) to promote economy, efficiency, and effectiveness and (b) to prevent and detect fraud and mismanagement in programs and operations of the Department; and
- keeps the Secretary and the Congress fully informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

The following table shows the audits, investigations, and staff-years planned for each area for Fiscal Year 1990.

| <u>Area</u>          | <u>Audits/<br/>Cases</u> | <u>Staff-Years<br/>of Effort</u> |
|----------------------|--------------------------|----------------------------------|
| Audit .....          | 645                      | 500                              |
| Investigations ..... | 1,503                    | 360                              |
| Total .....          | 2,148                    | 860                              |

GAO Reports

None.

JUSTIFICATION OF INCREASES

An increase of \$5,851,000 consisting of:

- (a) An increase of \$600,000 and 10 staff-years.

Need for Change. Additional audit coverage is required in international programs and in USDA cash and debt management programs. Also, additional pressure has been placed on OIG's investigative resources to increase its efforts to uncover serious criminal violations of regulatory laws in the areas of public health and safety, such as Meat and Poultry Inspection and Grading Programs.

Nature of Change. This increase will be used for audit activity in reviewing the new and existing international programs and USDA cash and debt management programs, as well as add investigative positions in the Department's regulatory program areas which have direct impact on public health and safety.

- (b) An increase of \$2,200,000 for funding of ADP activities, training, and Official Duty Station (ODS) moves.

Need for Change. An additional \$900,000 for ADP activities. By FY 1991, the nationwide computer system will be at its 6 year estimated systems life. With a state-of-the art system, OIG auditors and investigators would be able to perform more sophisticated and technical reviews of increasingly complex USDA programs.

An additional \$300,000 for training. This funding is needed to meet new training requirements for auditors established by the General Accounting Office and new training initiatives for investigators established by the Federal law enforcement community.

An additional \$1,000,000 for ODS moves and travel. Increases in real estate and relocation service costs nationwide have forced the agency to reduce official duty station moves by more than one-half in the past several years. This funding will enable OIG to remain responsive and flexible in carrying out its audit and investigative programs.

Nature of Change. The increase for the funding of ADP activities is for the first year of a 3 year replacement and upgrade of the nationwide ADP system, including Headquarters and seven regional office systems.

The increase for training will be used to achieve these new requirements and initiatives.

The increase for ODS moves and travel serves as an important tool by placing OIG personnel in locations with the most critical need to take advantage of particular skills and expertise of current employees.

- (c) An increase of \$300,000 for funding of special pay rates for entry-level auditors.

Need for Change. Additional funding is needed to pay for the special pay rates established by the Office of Personnel Management for entry-level auditors in high cost areas.

Nature of Change. The increase will fund salaries offered to recruit highly qualified applicants into the Federal Government.

- (d) An increase of \$467,000 for increased operating costs.

Need for Change. Costs for the Kansas City, National Finance, and Fort Collins Computer Centers have increased. Rent, utilities, and telecommunication costs have also risen. The Centers provide the agency necessary statistical support, data analyses and storage, and administrative support.

Nature of Change. The increase will fund these higher costs.

- (e) An increase of \$1,573,000 for the 1989 pay raise and \$711,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.







OFFICE OF BUDGET AND PROGRAM ANALYSIS

Purpose Statement

The Office of Budget and Program Analysis provides overall direction and administration of the Department's budgetary functions including development, presentation, and execution of the budget; review of program and legislative proposals for program and budget implications; and analysis of program issues and alternatives and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decision-making process.

The Office of Budget and Program Analysis is located in Washington, D.C. As of September 30, 1989, there were 72 permanent full-time employees and one other than full-time permanent employee.

## OFFICE OF BUDGET AND PROGRAM ANALYSIS

Available Funds and Staff-Years1988 Actual and Estimated, 1990 and 1991

|                          |   |              |        |              |        |              |        |
|--------------------------|---|--------------|--------|--------------|--------|--------------|--------|
|                          | : | 1989         | :      | 1990         | :      | 1991         | :      |
|                          | : | Actual       | :      | Estimated    | :      | Estimated    | :      |
| Item                     | : | Amount       | :Staff | Amount       | :Staff | Amount       | :Staff |
|                          | : |              | :Years |              | :Years |              | :Years |
| Direct Appropriation...  | : | \$4,389,000: | 74     | \$4,522,000: | 78     | \$4,971,000: | 78     |
| Obligations Under Other: | : | :            | :      | :            | :      | :            | :      |
| USDA /Appropriations:    | : | :            | :      | :            | :      | :            | :      |
| Personnel Details.....   | : | 39,400:      | --     | 4,000:       | --     | --           | --     |
| Total, Agriculture       | : | :            | :      | :            | :      | :            | :      |
| Appropriations.....      | : | 4,428,400:   | 74     | 4,526,000:   | 78     | 4,971,000:   | 78     |
| Total, Office of Budget: | : | :            | :      | :            | :      | :            | :      |
| and Program Analysis...  | : | 4,428,400:   | 74     | 4,526,000:   | 78     | 4,971,000:   | 78     |

|                      |               |                  |                  |
|----------------------|---------------|------------------|------------------|
| Full-time Equivalent | 1989          | 1990             | 1991             |
| Staff-Years:         | <u>Actual</u> | <u>Estimated</u> | <u>Estimated</u> |
| Ceiling.....         | 74            | 78               | 78               |
| Non-Ceiling.....     | 1             | 1                | 1                |
| Total.....           | <u>75</u>     | <u>79</u>        | <u>79</u>        |

## OFFICE OF BUDGET AND PROGRAM ANALYSIS

Permanent Positions by Grade and Staff-Year Summary1989 and Estimated 1990 and 1991

| Grade                          | 1989         | 1990         | 1991         |
|--------------------------------|--------------|--------------|--------------|
|                                | Headquarters | Headquarters | Headquarters |
| ES-6.....                      | 2            | 2            | 2            |
| ES-5.....                      | 3            | 3            | 3            |
| GS/GM-15.....                  | 7            | 7            | 7            |
| GS/GM-14.....                  | 17           | 17           | 17           |
| GS/GM-13.....                  | 14           | 14           | 14           |
| GS-12.....                     | 5            | 5            | 5            |
| GS-11.....                     | 5            | 5            | 5            |
| GS-10.....                     | 1            | 1            | 1            |
| GS-9.....                      | 2            | 2            | 2            |
| GS-8.....                      | 4            | 4            | 4            |
| GS-7.....                      | 5            | 7            | 7            |
| GS-6.....                      | 2            | 2            | 2            |
| GS-5.....                      | 3            | 6            | 6            |
| GS-4.....                      | 1            | 1            | 1            |
| GS-2.....                      | 1            | 1            | 1            |
| Total Permanent Positions..... | 72           | 77           | 77           |
| Staff-Years:                   |              |              |              |
| Ceiling.....                   | 74           | 78           | 78           |
| Non-ceiling.....               | 1            | 1            | 1            |
| TOTAL                          | 75           | 79           | 79           |

## OFFICE OF BUDGET AND PROGRAM ANALYSIS

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                           | <u>1989</u>      | <u>1990</u>      | <u>1991</u>      |
|-----------------------------------------------------------|------------------|------------------|------------------|
| Personnel Compensation:                                   |                  |                  |                  |
| Headquarters                                              | \$3,373,245      | \$3,699,000      | \$3,792,000      |
| 11 Total personnel compensation                           | 3,373,245        | 3,699,000        | 3,792,000        |
| 12 Personnel Benefits.....                                | 445,895          | 505,000          | 553,000          |
| 13 Benefits for former<br>personnel.....                  | <u>3,658</u>     | <u>3,000</u>     | <u>4,000</u>     |
| Total pers. comp & benefits...                            | 3,822,798        | 4,207,000        | 4,349,000        |
| Other Objects:                                            |                  |                  |                  |
| 21 Travel.....                                            | 26,463           | 21,000           | 27,000           |
| 22 Transportation of things....                           | 137              | 0                | 0                |
| 23.2 Rental payments to others...                         | 0                | 0                | 0                |
| 23.3 Communications, utilities,<br>and misc. charges..... | 70,304           | 66,000           | 96,000           |
| 24 Printing.....                                          | 53,851           | 57,000           | 74,000           |
| 25 Other services.....                                    | 107,148          | 78,000           | 164,000          |
| 26 Supplies and materials.....                            | 43,753           | 34,000           | 86,000           |
| 31 Equipment.....                                         | <u>71,846</u>    | <u>59,000</u>    | <u>175,000</u>   |
| Total other objects.....                                  | <u>373,502</u>   | <u>315,000</u>   | <u>622,000</u>   |
| Total direct obligations.....                             | <u>4,196,300</u> | <u>4,522,000</u> | <u>4,971,000</u> |
| <u>Position Data:</u>                                     |                  |                  |                  |
| Average Salary, ES positions.....                         | \$79,440         | \$82,300         | \$96,580         |
| Average Salary, GM/GS position...                         | \$42,646         | \$44,182         | \$45,728         |
| Average Grade, GM/GS positions...                         | 11.10            | 11.10            | 11.10            |

## OFFICE OF BUDGET AND PROGRAM ANALYSIS

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Office of Budget and Program Analysis

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, [\$4,554,000] \$4,971,000.

## OFFICE OF BUDGET AND PROGRAM ANALYSIS

|                                 |                  |
|---------------------------------|------------------|
| Appropriation Act, 1990 .....   | \$4,554,000      |
| Budget Estimate, 1991 .....     | <u>4,971,000</u> |
| Increase in Appropriation ..... | <u>+417,000</u>  |

## Adjustments in 1990

|                                               |                  |
|-----------------------------------------------|------------------|
| Appropriation Act, 1990.....                  | \$4,554,000      |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177) | <u>-32,000</u>   |
| Adjusted base for 1990.....                   | 4,522,000        |
| Budget estimate, 1991.....                    | <u>4,971,000</u> |
| Increase over adjusted 1990.....              | <u>+449,000</u>  |

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

| <u>Item of Change</u>       | <u>1990<br/>Estimated</u> | <u>Pay Cost</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|-----------------------------|---------------------------|-----------------|----------------------------|---------------------------|
| Budget and Program Analysis | \$4,522,000               | +\$317,000      | +\$132,000                 | \$4,971,000               |

## PROJECT STATEMENT

(on basis of appropriation)

|                                                   | <u>1989<br/>Actual</u> | <u>Staff:</u> | <u>1990<br/>Estimated</u> | <u>Staff:</u> | <u>Increase<br/>or<br/>Decrease</u> | <u>1991<br/>Estimated</u> | <u>Staff:</u> |
|---------------------------------------------------|------------------------|---------------|---------------------------|---------------|-------------------------------------|---------------------------|---------------|
|                                                   | <u>Amount</u>          | <u>Years</u>  | <u>Amount</u>             | <u>Years</u>  |                                     | <u>Amount</u>             | <u>Years</u>  |
| 1. Budget and Program Analysis ...                | \$4,196,300            | 74            | \$4,522,000               | 78            | +\$449,000                          | \$4,971,000               | 78            |
| Unobligated Balance.....                          | 192,700                | --            | --                        | --            | --                                  | --                        | --            |
| Total available or estimate....                   | 4,389,000              | 74            | 4,522,000                 | 78            | +449,000(1)                         | 4,971,000                 | 78            |
| Gramm-Rudman-Hollings Reduction, P.L. 99-177..... | --                     | --            | +32,000                   |               |                                     |                           |               |
| Total, Appropriation.....                         | 4,389,000              | 74            | 4,554,000                 |               |                                     |                           |               |

Explanation of Program

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and execution of the budget; reviews program and legislative proposals for program, and budget and related implications; analyzes program and resource issues and alternatives, and prepares summaries of pertinent data to aid Departmental policy officials and agency program managers in the decision-making process; provides Department-wide coordination for and participation in the presentation of budget related matters to the Committees of the Congress, the press, and the public. It also provides Department-wide coordination of the preparation and processing of legislative programs and reports; provides Department-wide coordination and processing of regulations; and aids the Secretary and other Departmental agency officials in making management decisions regarding the Department's programs and resources.



## OFFICE OF BUDGET AND PROGRAM ANALYSIS

## JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$449,000 for budget and program analysis consisting of:

(a) An increase of \$132,000 for ADP equipment and related services.

Need for Change. Since 1982 the staffing level for this small office has declined by almost 20 percent from 92 staff-years to an estimated 74 staff-years in 1989. During the same period workload associated with the development, presentation and execution of the Department's budget has steadily increased. Workload increases have been met through an aggressive program to automate activities, wherever possible, and to reduce paperwork to minimum levels. However, even with these efforts it is not possible to sustain current quantity of work without modest additional resources.

The Office undertook a phased installation of automated capability beginning in 1983. Since that time, automated activities have become increasingly more extensive and more essential to promptly analyze the impact of rapidly changing program and budget issues. The Office is tied into several computer systems in OMB which are used to prepare the President's budget documents and a wide array of special analyses. In addition, the Office uses its automation capability to monitor and track status of key legislative and regulatory issues to perform budget and program analyses, and to prepare an extensive array of budget and program tables, summaries, and issue papers designed to serve agencies, Department policy officials, and Congressional committees.

Nature of Change. Funds would be used to begin replacing and upgrading existing hardware and software that have exceeded expected systems life. The upgrade and replacement would be phased over a several year period during the early 1990's. The new equipment will enhance response time for users, improve reliability, and improve communications capability by facilitating links with other machines and operating systems, such as those of Departmental agencies and the central guidance agencies.

(b) An increase of \$168,000 for the 1989 pay raise and \$149,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989, and estimated 1990 and 1991

|                  | <u>1989</u>   |                        | <u>1990</u>   |                        | <u>1991</u>   |                        |
|------------------|---------------|------------------------|---------------|------------------------|---------------|------------------------|
|                  | <u>Amount</u> | <u>Staff<br/>Years</u> | <u>Amount</u> | <u>Staff<br/>Years</u> | <u>Amount</u> | <u>Staff<br/>Years</u> |
| Washington, D.C. | \$4,196,300   | 74                     | \$4,522,000   | 78                     | \$4,971,000   | 78                     |



## OFFICE OF THE GENERAL COUNSEL

Purpose Statement

The Office of the General Counsel, which, prior to 1955, was known as the Office of the Solicitor, was established in 1910 (70 Stat. 742) as the law office of the Department of Agriculture.

The Office provides all essential and necessary legal advice and services for the Department's ongoing programs. The headquarters legal staff is divided into four sections: (1) Regulatory and Marketing; (2) International Affairs, Commodity Programs and Food Assistance Programs; (3) Community Development and Natural Resources; and (4) Legislation, Litigation, Research and Operations.

Geographic Location. The work of this office is carried out in Washington, D.C., and five regions which include 22 locations as follows:

Atlanta, Georgia:  
Hato Rey, Puerto Rico  
Jackson, Mississippi  
Montgomery, Alabama  
Raleigh, North Carolina

Kansas City, Missouri:  
Lincoln, Nebraska  
Little Rock, Arkansas  
Stillwater, Oklahoma  
Temple, Texas

Denver, Colorado:  
Albuquerque, New Mexico  
Missoula, Montana  
Ogden, Utah

San Francisco, California:  
Juneau, Alaska  
Portland, Oregon

Harrisburg, Pennsylvania:  
Chicago, Illinois  
Columbus, Ohio  
Milwaukee, Wisconsin  
Richmond, Virginia

As of September 30, 1989, the office had 366 employees of which 352 were permanent full-time employees and 14 were other employees. There were 159 permanent full-time employees and 6 other employees located in Washington, D.C., and 193 permanent full-time employees and 8 other employees in the field.

## OFFICE OF THE GENERAL COUNSEL

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                                       | 1989         |                 | 1990         |                 | 1991         |                 |
|--------------------------------------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
|                                            | Actual       |                 | Estimated    |                 | Estimated    |                 |
|                                            | Amount       | Staff:<br>Years | Amount       | Staff:<br>Years | Amount       | Staff:<br>Years |
| Office of the General Counsel .....        | \$20,836,000 | 357             | \$21,525,000 | 384             | \$23,517,000 | 398             |
| <u>Obligations under other</u>             |              |                 |              |                 |              |                 |
| <u>USDA appropriations:</u>                |              |                 |              |                 |              |                 |
| FS-Bernardi Case .....                     | 42,011       | 1               | 145,000      | 2               | 145,000      | 2               |
| FS-Timber Sales .....                      | 33,344       | 1               | 60,000       | 1               | - -          | -               |
| Total, Other USDA Appropriations .....     | 75,355       | 2               | 205,000      | 3               | 145,000      | 2               |
| Total, Office of the General Counsel ..... | 20,911,355   | 359             | 21,730,000   | 387             | 23,662,000   | 400             |

| Full-time Equivalent Staff-Years: | 1989<br><u>Actual</u> | 1990<br><u>Estimated</u> | 1991<br><u>Estimated</u> |
|-----------------------------------|-----------------------|--------------------------|--------------------------|
| Ceiling .....                     | 359                   | 387                      | 400                      |
| Non-Ceiling .....                 | 1                     | 3                        | 3                        |
| Total .....                       | 360                   | 390                      | 403                      |

## OFFICE OF THE GENERAL COUNSEL

Permanent Positions by Grade and Staff-Year Summary  
1989 and Estimated 1990 and 1991

| Grade                     | 1989          |        |       | 1990          |        |       | 1991          |        |       |
|---------------------------|---------------|--------|-------|---------------|--------|-------|---------------|--------|-------|
|                           | Headquarters: | Field: | Total | Headquarters: | Field: | Total | Headquarters: | Field: | Total |
| Executive Level IV        | 1             | --     | 1     | 1             | --     | 1     | 1             | --     | 1     |
| ES-6                      | 1             | --     | 1     | 1             | --     | 1     | 1             | --     | 1     |
| ES-5                      | 3             | --     | 3     | 3             | --     | 3     | 3             | --     | 3     |
| ES-4                      | 5             | 1      | 6     | 5             | 1      | 6     | 5             | 1      | 6     |
| ES-3                      | 3             | --     | 3     | 3             | --     | 3     | 3             | --     | 3     |
| ES-2                      | 2             | 1      | 3     | 2             | 1      | 3     | 2             | 1      | 3     |
| ES-1                      | --            | 3      | 3     | --            | 3      | 3     | --            | 3      | 3     |
| GS/GM-15                  | 20            | 8      | 28    | 20            | 8      | 28    | 20            | 8      | 28    |
| GS/GM-14                  | 45            | 62     | 107   | 45            | 63     | 108   | 45            | 63     | 108   |
| GS-13                     | 27            | 16     | 43    | 27            | 16     | 43    | 27            | 16     | 43    |
| GS-12                     | 21            | 12     | 33    | 21            | 12     | 33    | 21            | 15     | 36    |
| GS-11                     | 12            | 8      | 20    | 12            | 8      | 20    | 13            | 14     | 27    |
| GS-9                      | 2             | 4      | 6     | 2             | 4      | 6     | 2             | 4      | 6     |
| GS-8                      | 6             | 7      | 13    | 6             | 7      | 13    | 6             | 7      | 13    |
| GS-7                      | 16            | 17     | 33    | 16            | 17     | 33    | 16            | 17     | 33    |
| GS-6                      | 7             | 19     | 26    | 7             | 19     | 26    | 7             | 19     | 26    |
| GS-5                      | 7             | 30     | 37    | 7             | 30     | 37    | 8             | 32     | 40    |
| GS-4                      | 3             | 14     | 17    | 3             | 14     | 17    | 3             | 14     | 17    |
| GS-3                      | --            | 1      | 1     | --            | 1      | 1     | --            | 1      | 1     |
| GS-2                      | 1             | 1      | 2     | 1             | 1      | 2     | 1             | 1      | 2     |
| Total Permanent Positions | 182           | 204    | 386   | 182           | 205    | 387   | 184           | 216    | 400   |
| Staff-Years Ceiling       | 162           | 197    | 359   | 182           | 205    | 387   | 184           | 216    | 400   |
| Non-Ceiling               | --            | 1      | 1     | 1             | 2      | 3     | 1             | 2      | 3     |
| TOTAL                     | 162           | 198    | 360   | 183           | 207    | 390   | 185           | 218    | 403   |

## OFFICE OF THE GENERAL COUNSEL

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                        | <u>1989</u>       | <u>1990</u>       | <u>1991</u>       |
|--------------------------------------------------------|-------------------|-------------------|-------------------|
| Personnel Compensation:                                |                   |                   |                   |
| Headquarters .....                                     | \$7,595,217       | \$8,215,000       | \$8,916,000       |
| Field .....                                            | <u>7,293,411</u>  | <u>7,704,000</u>  | <u>8,262,000</u>  |
| 11 Total Personnel Compensation                        | 14,888,628        | 15,919,000        | 17,178,000        |
| 12 Personnel Benefits .....                            | 2,527,009         | 2,619,000         | 2,864,000         |
| 13 Benefits for former personnel                       | <u>10,800</u>     | <u>11,000</u>     | <u>11,000</u>     |
| Total Pers. Comp. & Benefits ....                      | <u>17,426,437</u> | <u>18,549,000</u> | <u>20,053,000</u> |
| Other Objects:                                         |                   |                   |                   |
| 21 Travel .....                                        | 266,604           | 354,000           | 511,000           |
| 22 Transportation of things ....                       | 23,034            | 15,000            | 40,000            |
| 23.2 Communications, utilities<br>and other rent ..... | 924,230           | 911,000           | 1,117,000         |
| 24 Printing and reproduction ...                       | 32,880            | 22,000            | 22,000            |
| 25 Other services .....                                | 519,353           | 472,000           | 499,000           |
| 26 Supplies and materials .....                        | 517,766           | 567,000           | 638,000           |
| 31 Equipment .....                                     | 1,100,250         | 635,000           | 637,000           |
| 43 Interest Penalty .....                              | <u>350</u>        | <u>- -</u>        | <u>- -</u>        |
| Total Other Objects .....                              | <u>3,384,467</u>  | <u>2,976,000</u>  | <u>3,464,000</u>  |
| Total Direct Obligations .....                         | <u>20,810,904</u> | <u>21,525,000</u> | <u>23,517,000</u> |

Position Data:

|                                          |          |          |          |
|------------------------------------------|----------|----------|----------|
| Average Salary, ES<br>positions .....    | \$74,795 | \$77,505 | \$93,763 |
| Average Salary, GM/GS<br>positions ..... | \$38,947 | \$40,128 | \$41,107 |
| Average Grade, GM/GS<br>positions .....  | 10.65    | 10.66    | 10.63    |



OFFICE OF THE GENERAL COUNSEL

The estimates include appropriation language for this item as follows  
(new language underscored; deleted matter enclosed in bracket):

Office of the General Counsel:

For necessary expenses of the Office of the General Counsel,  
[\$21,828,000] \$23,517,000.

## OFFICE OF THE GENERAL COUNSEL

|                                 |                   |
|---------------------------------|-------------------|
| Appropriation Act, 1990 .....   | \$21,828,000      |
| Budget Estimate, 1991 .....     | <u>23,517,000</u> |
| Increase in Appropriation ..... | <u>+1,689,000</u> |

## Adjustments in 1990

|                                                   |                   |
|---------------------------------------------------|-------------------|
| Appropriation Act, 1990 .....                     | \$21,525,000      |
| Gramm-Rudman-Hollings Reduction(P.L.99-177) ..... | <u>-303,000</u>   |
| Adjusted base for 1990 .....                      | 21,525,000        |
| Budget estimate, 1991 .....                       | <u>23,517,000</u> |
| Increase over adjusted 1990 .....                 | <u>+1,992,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(on basis of adjusted appropriation)

| <u>Item of Change</u> | <u>1990<br/>Estimated</u> | <u>Pay<br/>Cost</u> | <u>Program<br/>Change</u> | <u>1991<br/>Estimated</u> |
|-----------------------|---------------------------|---------------------|---------------------------|---------------------------|
| Legal Services .....  | <u>\$21,525,000</u>       | <u>\$1,052,000</u>  | <u>+\$940,000</u>         | <u>\$23,517,000</u>       |

PROJECT STATEMENT  
(on basis of adjusted appropriation)

|                                                  | <u>1989 Actual</u> |              | <u>1990 Estimated</u> |              |                 | <u>1991 Estimated</u> |              |
|--------------------------------------------------|--------------------|--------------|-----------------------|--------------|-----------------|-----------------------|--------------|
|                                                  | Staff:             | Staff:       | Staff:                | Staff:       |                 | Staff:                | Staff:       |
| <u>Project</u>                                   | <u>Amount</u>      | <u>Years</u> | <u>Amount</u>         | <u>Years</u> | <u>Increase</u> | <u>Amount</u>         | <u>Years</u> |
| Legal Services                                   | \$20,810,904       | 357          | \$21,525,000          | 384          | +\$1,992,000    | \$23,517,000          | 398          |
| Unobligated balance .....                        | 25,096             | - -          | - -                   | - -          | - -             | - -                   | - -          |
| Total available :                                |                    |              |                       |              |                 |                       |              |
| or estimate ...                                  | 20,836,000         | 357          | 21,525,000            | 384          | +1,992,000      | 23,517,000            | 398          |
| Gramm-Rudman-Hollings Reduction, P.L. 99-177.... | --                 | --           | 303,000               |              |                 |                       |              |
| Total, Appropriation.....                        | 20,836,000         | 357          | 21,828,000            |              |                 |                       |              |

EXPLANATION OF PROGRAM

The General Counsel is the chief law officer of the Department and is responsible for providing legal services for all programs, operations, and activities of the Department. The General Counsel is assisted by a Deputy General Counsel and four Associate General Counsels, each of whom is responsible for a portion of the legal work of the Department. The functions of this Office are performed in the Washington office and in five regions which include 22 locations. The Law Library was transferred from the National Agricultural Library in 1982.

The regional offices handle legal work relating to the activities of the Agricultural Stabilization and Conservation Service, Agricultural Marketing Service, Commodity Credit Corporation, Farmers Home Administration, Federal Crop Insurance Corporation, Forest Service, Soil Conservation Service, and the Food and Nutrition Service. By delegation of the General Counsel, legal work relating to other programs and activities of the Department may be handled by a field office.

Legal Advice. The Office of the General Counsel issues both formal and informal opinions on legal questions arising in the administration of the Department's programs; prepares or reviews administrative rules and regulations applicable to the public; drafts proposed legislation; prepares or interprets contracts, mortgages, leases, deeds, and similar documents; prepares patent applications arising out of inventions by Department employees; and considers and determines claims by and against the United States arising out of the Department's activities.

Administrative Proceedings. The Department is represented by the General Counsel in administrative proceedings for the promulgation of rules having the force and effect of law and in quasi-judicial hearings held in connection with the administration of various USDA programs.

Civil Litigation. Civil litigation arising out of the Department's work is handled by the Department of Justice, with the Office of the General Counsel assisting in the preparation and trial of such cases. The General Counsel represents the Secretary in administrative proceedings before the Interstate Commerce Commission involving freight rates on farm commodities and in appeals from the decisions of the Commission to the courts. By delegation, the Associate General Counsel for Legislation, Litigation, Research and Operations represents the Department in certain classes of cases before the United States Courts of Appeals.

Criminal Litigation. Criminal cases are reviewed for the purpose of referring them to the Department of Justice.

#### JUSTIFICATION OF INCREASES

(1) An increase of \$1,992,000 for the Office of General Counsel consisting of:

(a) A net increase of \$135,000 for office automation.

Need for Change. With the help of the Congress, the Office of the General Counsel has begun to procure and install an integrated office automation system. Our plan, incorporated into the fiscal years 1989 and 1990 and 1991 budget requests, is to acquire a system of IBM compatible personal computers available to each employee in Washington and in the twenty-two field offices. These personal computers will be linked together in Washington through the Department's existing local area network and through local area networks installed in each field office. The system will also consist of a central storage facility accessible by all employees containing office-wide records and an archive of significant documents.

The system, when finished, will provide faster word processing, electronic sharing of documents, recordkeeping, increased access to computerized legal research, and telecommunications among our 23 offices and between our offices and our client agencies and outside agencies such as the Department of Justice. With these productivity and quality of work will increase within our authorized staffing level.

Nature of Change. With the fiscal years 1989 and 1990 appropriation increases, OGC has acquired and installed a portion of the office automation system. The budget as presented provides sufficient funds to complete the system in fiscal year 1991. With the one-time cost of \$512,000 available from FY 1990, \$647,000 will be available to complete the telecommunications and data base management capabilities of the system and to provide expanded access to computerized legal research.

(b) An increase of \$431,000 for pre-decisional environmental legal work.

Need for Change. This increase would fund pre-decisional environmental legal services and provide a new approach to environmental legal work for the Forest Service. The additional staff -- ten attorneys and three support -- would be located in headquarters and the field.

During the late 1960's and 1970's, Congress enacted numerous environmental laws -- the National Environmental Policy Act (NEPA), the Clean Water Act, Clean Air Act, Endangered Species Act, Historic Preservation laws, Federal Land Policy and Management Act, National Forest Management Act, to name a few. This multitude of statutory enactments has been used by appellants and plaintiffs to raise numerous legal issues and to challenge Departmental decisions, particularly Forest Service land management decisions. In recent years, Forest Service decisionmaking involving timber management and road building, oil and gas leasing, recreational special use authorizations, right-of-way issuance and administration, hard rock mineral development and administration, and land exchanges have all been challenged in administrative proceedings and appeals and federal courts as violative of NEPA and other environmental laws.

Individuals and groups frequently confront Forest Service field level officers (District Rangers and Forest Supervisors) with legal arguments when attempting to influence their decisionmaking. These individuals or groups often obtain legal counsel to argue their positions to such Forest Service officers. Often the groups are part of, or in touch with, national organizations with well-coordinated strategies. Many Forest Supervisors feel that they cannot contend with these organized efforts without having legal review and advise before they make decisions.

OGC has primarily been able to respond to the Forest Service's legal needs in the environmental law and administrative decisionmaking area only by providing post-decisional legal services. In this type of legal service, the focus is on legal advice obtained after a decision has been disputed. This service strategy may be suited for a situation where there are few administrative appeals and a low potential for judicial review, and when a single judicial decision does not have broad program consequences.

One consequence of laws of the type identified above is that a post-decisional practice is not effective. The number of administrative appeals of Forest Service decisions has dramatically escalated in the past five years, from 439 in 1984 to 1,609 in 1988. The number of lawsuits has also increased. The true significance of this litigation is best illustrated by the broad programmatic injunction issued in the spotted owl case which involved 168 timber sales. Under current statutes, a single case can have devastating program consequences.

Through pre-decisional legal advice, the Department and Forest Service would be in a better position to help shape future judicial interpretation of environmental law and decisionmaking procedures. Although some of these environmental laws were enacted over ten years ago, there remain many unsettled issues as to their interpretation.



Nature of Change. This increased budget request would allocate additional legal resources to provide pre-decisional advice and review needed by the Forest Service. The additional legal resources would be used to reinforce the limited number of attorneys now available to review and advise the Forest Service regarding compliance with an increasing range of environmental laws such as those identified above and related administrative practices and documentation. This would enable OGC to help the Forest Service develop critical procedures for various kinds of projects, including the design and preparation of Environmental Impact Statements and Environmental Analyses, consider legal positions on emerging issues, and otherwise assist Forest Service decisionmakers.

It is not feasible to have an attorney located in each of the 123 Forest Supervisors' offices as has been requested. While this request attempts to deal with the problem of rendering further service through a coordinated delivery system, we would divide new legal staff made available for this area of work between field and Washington office locations, with the bulk being assigned to field offices. We are also requesting support staff and funds for travel. Regardless of location of these new positions, we anticipate using them to deliver legal services which would be coordinated by the Washington office to assure consistency and efficient use of these resources. We would anticipate a high level of coordination, communication and support so that legal research, documentation techniques, responses to emerging issues and new strategies are available to the entire network of OGC attorneys who provide legal services to affected clients.

The additional attorneys requested would also be used to assist the Forest Service in writing regulations, manuals and handbooks to improve Forest Service decisionmaking procedures. This is an ongoing task as the Congress, courts and other federal agencies with jurisdiction are constantly adjusting and interpreting these legal authorities. Additional resources would also be provided to coordinate water law matters in the west.

(c) An increase of \$172,000 for change of duty station.

Need for Change. OGC is located in Washington, D.C. and 22 field offices. The field offices are small, ranging from three to twenty-nine staff. With the increase of allowable reimbursable expenses associated with change of duty station, this office has been generally unable to afford transfers of personnel among our offices. This has resulted in lost opportunities for both the agency and the employees.

Nature of Change. The proposed increase will fund three changes of duty station. This will allow us to manage our personnel resources more effectively and to provide promotion potential and cross training for our staff.

(d) An increase of \$202,000 for operating cost increases.

Need for Change. This increase will provide fiscal year 1990 level of legal services in fiscal year 1991 and will allow the office to fund fully our authorized staff year ceiling.

Nature of Change. Inflation was calculated at the rate of 3.3 percent for all items except library books and Departmental assessments. The inflation rate for books is higher than other items and was estimated at 15 percent. The increase for Departmental assessments was based on cost estimates received from Departmental Administration.

- (e) An increase of \$650,000 for the 1989 pay raise and \$402,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.



Office of the General Counsel  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS  
1989 and Estimated 1990 and 1991

|                                          | <u>1989</u>    |                        | <u>1990</u>    |                        | <u>1991</u>    |                        |
|------------------------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------------|
|                                          | <u>Amount</u>  | <u>Staff<br/>Years</u> | <u>Amount</u>  | <u>Staff<br/>Years</u> | <u>Amount</u>  | <u>Staff<br/>Years</u> |
| Alabama.....                             | \$ 178,160     | 4                      | \$ 180,000     | 4                      | \$ 190,000     | 4                      |
| Alaska.....                              | 146,193        | 3                      | 148,000        | 3                      | 156,000        | 3                      |
| Arkansas.....                            | 582,204        | 13                     | 588,000        | 13                     | 622,000        | 13                     |
| California.....                          | 842,308        | 17                     | 850,000        | 19                     | 1,043,000      | 23                     |
| Colorado.....                            | 646,008        | 14                     | 652,000        | 15                     | 796,000        | 18                     |
| District of Columbia...                  | 11,829,890     | 162                    | 12,456,000     | 181                    | 13,598,000     | 186                    |
| Georgia.....                             | 1,211,897      | 28                     | 1,224,000      | 29                     | 1,333,000      | 30                     |
| Illinois.....                            | 453,697        | 10                     | 458,000        | 10                     | 484,000        | 10                     |
| Kansas .....                             | 752,208        | 15                     | 760,000        | 15                     | 804,000        | 15                     |
| Mississippi.....                         | 147,243        | 4                      | 149,000        | 4                      | 158,000        | 4                      |
| Montana.....                             | 438,854        | 9                      | 443,000        | 8                      | 469,000        | 8                      |
| Nebraska.....                            | 149,190        | 4                      | 151,000        | 4                      | 160,000        | 4                      |
| New Mexico.....                          | 241,950        | 5                      | 244,000        | 5                      | 258,000        | 5                      |
| North Carolina.....                      | 129,296        | 3                      | 130,000        | 4                      | 138,000        | 4                      |
| Ohio.....                                | 160,339        | 4                      | 162,000        | 4                      | 171,000        | 4                      |
| Oklahoma.....                            | 207,797        | 5                      | 210,000        | 5                      | 222,000        | 5                      |
| Oregon.....                              | 569,813        | 12                     | 575,000        | 13                     | 608,000        | 13                     |
| Pennsylvania.....                        | 603,936        | 13                     | 610,000        | 14                     | 645,000        | 14                     |
| Puerto Rico.....                         | 181,619        | 4                      | 183,000        | 4                      | 194,000        | 4                      |
| Texas.....                               | 508,739        | 12                     | 514,000        | 12                     | 544,000        | 12                     |
| Utah.....                                | 283,382        | 5                      | 286,000        | 5                      | 302,000        | 5                      |
| Virginia.....                            | 120,575        | 4                      | 122,000        | 4                      | 129,000        | 4                      |
| Wisconsin.....                           | 425,606        | 7                      | 430,000        | 9                      | 493,000        | 10                     |
| <br>Total, Available<br>or Estimate..... | <br>20,810,904 | <br>357                | <br>21,525,000 | <br>384                | <br>23,517,000 | <br>398                |



## AGRICULTURAL RESEARCH SERVICE

Purpose Statement

The Agricultural Research Service was established on November 2, 1953, pursuant to authority vested in the Secretary of Agriculture by 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953, and other authorities.

The research performed by the Agricultural Research Service (ARS) is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201, 2204), the Research and Marketing Act of 1946, as amended (7 U.S.C. 427,1621), the Food and Agriculture Act of 1977, as amended (7 U.S.C. 1281 note), and the Food Security Act of 1985 (7 U.S.C. 3101 note).

The Agricultural Research Service is responsible for conducting mission-oriented research on:

- Soil and Water Conservation
- Plant Sciences
- Animal Sciences
- Commodity Conversion and Delivery
- Human Nutrition
- Integration of Agricultural Systems

The research applies to a wide range of goals; commodities; natural resources; fields of science; and geographic, climatic and environmental conditions.

As the U.S. Department of Agriculture's in-house agricultural research agency, ARS has major responsibilities for conducting and leading the national agricultural research effort. ARS provides initiative and leadership in five areas:

- \* Research on broad regional and national problems.
- \* Research to support Federal action and regulatory agencies.
- \* Expertise to meet national emergencies.
- \* Research support for international programs.
- \* Scientific resource to the Executive Branch and Congress.

The mission of ARS research is to develop new knowledge and technology which will insure an abundance of high quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the needs to (1) manage and use the Nation's soil, water, air, and climatic resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

Research is conducted at numerous field locations in the States, District of Columbia, Puerto Rico, the Virgin Islands, and in several foreign countries. Much of the work is conducted in direct cooperation with the State agricultural experiment stations, other State and Federal agencies, and private organizations.

Central offices of ARS are in the Washington, D.C. Metropolitan Area. The field activities are managed on a national basis through 8 Area Offices. Activities are carried out at 126 separate field locations. As of September 30, 1989, there were 6,947 full-time employees and 1,624 other than full-time employees. Of the total, 453 full-time employees and 30 other than full-time employees worked in the headquarters office.

## AGRICULTURAL RESEARCH SERVICE

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                    | 1989 Actual<br>Amount | Staff-<br>Years | 1990 Estimated<br>Amount | Staff-<br>Years | 1991 Estimated<br>Amount | Staff-<br>Years |
|-------------------------|-----------------------|-----------------|--------------------------|-----------------|--------------------------|-----------------|
| Direct Appropriation:   |                       |                 |                          |                 |                          |                 |
| Agricultural            |                       |                 |                          |                 |                          |                 |
| Research Service ...    | \$563,381,000         | 7,988           | \$585,923,000            | 7,988           | \$623,510,000            | 7,988           |
| Buildings and           |                       |                 |                          |                 |                          |                 |
| Facilities .....        | 17,044,211            | --              | 10,675,000               | --              | 32,600,000               | --              |
| Total, Direct           |                       |                 |                          |                 |                          |                 |
| Appropriation .....     | 580,425,211           | 7,988           | 596,598,000              | 7,988           | 656,110,000              | 7,988           |
| Deduct Allotments to    |                       |                 |                          |                 |                          |                 |
| Other Agencies:         |                       |                 |                          |                 |                          |                 |
| Forest Service .....    | -356,435              | --              | -360,275                 | --              | -362,000                 | --              |
| Net .....               | 580,068,776           | 7,988           | 596,237,725              | 7,988           | 655,748,000              | 7,988           |
| Obligations from other: |                       |                 |                          |                 |                          |                 |
| USDA Appropriations:    |                       |                 |                          |                 |                          |                 |
| Agricultural            |                       |                 |                          |                 |                          |                 |
| Marketing Service ...   | 94,659                | 1               | 100,000                  | 1               | 100,000                  | 1               |
| Animal and Plant        |                       |                 |                          |                 |                          |                 |
| Health Inspection       |                       |                 |                          |                 |                          |                 |
| Service .....           | 7,021,653             | 105             | 7,100,000                | 105             | 7,100,000                | 105             |
| Federal Grain           |                       |                 |                          |                 |                          |                 |
| Inspection Service ..   | 180,425               | 2               | 200,000                  | 2               | 200,000                  | 2               |
| National Agricultural   |                       |                 |                          |                 |                          |                 |
| Library .....           | 511,755               | 2               | 500,000                  | 2               | 500,000                  | 2               |
| Forest Service .....    | 169,116               | 1               | 150,000                  | 1               | 150,000                  | 1               |
| Food Safety and         |                       |                 |                          |                 |                          |                 |
| Inspection Service...   | 1,501,207             | 4               | 1,500,000                | 4               | 1,500,000                | 4               |
| Human Nutrition         |                       |                 |                          |                 |                          |                 |
| Information Service..   | 106,959               | 1               | 100,000                  | 1               | 100,000                  | 1               |
| Office of Interna-      |                       |                 |                          |                 |                          |                 |
| tional Cooperation      |                       |                 |                          |                 |                          |                 |
| and Development ....    | 688,432               | 5               | 700,000                  | 5               | 700,000                  | 5               |
| Soil Conservation       |                       |                 |                          |                 |                          |                 |
| Service .....           | 394,386               | 5               | 400,000                  | 5               | 400,000                  | 5               |
| Cooperative State       |                       |                 |                          |                 |                          |                 |
| Research Service ...    | 74,338                | 1               | 100,000                  | 1               | 100,000                  | 1               |
| Miscellaneous           |                       |                 |                          |                 |                          |                 |
| Reimbursements .....    | 58,105                | 1               | 50,000                   | 1               | 50,000                   | 1               |
| Total, Other            |                       |                 |                          |                 |                          |                 |
| USDA Funds .....        | 10,801,035            | 128             | 10,900,000               | 128             | 10,900,000               | 128             |
| Total, Agriculture      |                       |                 |                          |                 |                          |                 |
| Appropriations .....    | 590,869,811           | 8,116           | 607,137,725              | 8,116           | 666,648,000              | 8,116           |

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                                                              | 1989 Actual         |               | 1990 Estimated      |               | 1991 Estimated      |              |
|-------------------------------------------------------------------|---------------------|---------------|---------------------|---------------|---------------------|--------------|
|                                                                   | Amount              | Staff-Years   | Amount              | Staff-Years   | Amount              | Staff-Years  |
| <u>Other Federal Funds:</u>                                       |                     |               |                     |               |                     |              |
| Department of Defense:                                            | 852,222:            | 4:            | 850,000:            | 4:            | 850,000:            | 4            |
| Department of Energy:                                             | 837,221:            | 4:            | 850,000:            | 4:            | 850,000:            | 4            |
| Department of Health and Human Services:                          | 1,745,128:          | 6:            | 1,750,000:          | 6:            | 1,750,000:          | 6            |
| Department of Interior.....                                       | 314,782:            | 2:            | 300,000:            | 2:            | 300,000:            | 2            |
| Department of State.....                                          | 463,023:            | 1:            | 450,000:            | 1:            | 450,000:            | 1            |
| Environmental Protection Agency...                                | 842,143:            | 3:            | 800,000:            | 3:            | 800,000:            | 3            |
| Miscellaneous Reimbursement.....                                  | 605,304:            | 2:            | 500,000:            | 2:            | 500,000:            | 2            |
| Total, Other Federal Funds ....                                   | 5,659,823:          | 22:           | 5,500,000:          | 22:           | 5,500,000:          | 22           |
| <u>Non-Federal Funds:</u>                                         |                     |               |                     |               |                     |              |
| State of California..                                             | 170,791:            | 2:            | 200,000:            | 2:            | 200,000:            | 2            |
| Binational Agriculture Research & Development Agreement (BARD) .. | 674,142:            | 8:            | 700,000:            | 8:            | 700,000:            | 8            |
| Quarters and Subsistence .....                                    | 131,669:            | 1:            | 200,000:            | 1:            | 200,000:            | 1            |
| Miscellaneous Reimbursement .....                                 | 2,948,540:          | 7:            | 2,503,000:          | 7:            | 2,500,000:          | 7            |
| Total, Non-Federal Funds .....                                    | 3,925,142:          | 18:           | 3,603,000:          | 18:           | 3,600,000:          | 18           |
| <u>Miscellaneous Contributed Funds..</u>                          | 6,009,423:          | 44:           | 5,000,000:          | 44:           | 5,000,000:          | 44           |
| <u>Total, Agricultural Research Service.....</u>                  | <u>606,464,199:</u> | <u>8,200:</u> | <u>621,240,725:</u> | <u>8,200:</u> | <u>680,748,000:</u> | <u>8,200</u> |

| Full-Time Equivalent Staff-Years: | 1989 Actual  | 1990 Estimated | 1991 Estimated |
|-----------------------------------|--------------|----------------|----------------|
| Ceiling.....                      | 8,200        | 8,200          | 8,200          |
| Non-Ceiling.....                  | 150          | 150            | 150            |
| Total.....                        | <u>8,350</u> | <u>8,350</u>   | <u>8,350</u>   |

## Permanent Positions by Grade and Staff-Year Summary

1989 Actual and Estimated 1990 and 1991

| Grade    | 1989 Actual  |       |       | 1990 Estimate |       |       | 1991 Estimate |       |       |
|----------|--------------|-------|-------|---------------|-------|-------|---------------|-------|-------|
|          | Headquarters | Field | Total | Headquarters  | Field | Total | Headquarters  | Field | Total |
| ES-5     | 5            | 6     | 11    | 5             | 6     | 11    | 5             | 6     | 11    |
| ES-4     | 1            | 13    | 14    | 1             | 13    | 14    | 1             | 13    | 14    |
| ES-3     | 1            | 5     | 6     | 1             | 5     | 6     | 1             | 5     | 6     |
| ES-2     | --           | 2     | 2     | --            | 2     | 2     | --            | 2     | 2     |
| GS-16    | 3            | --    | 3     | 3             | --    | 3     | 3             | --    | 3     |
| GS/GM-15 | 43           | 319   | 362   | 43            | 319   | 362   | 43            | 319   | 362   |
| GS/GM-14 | 27           | 519   | 546   | 27            | 519   | 546   | 27            | 519   | 546   |
| GS/GM-13 | 96           | 707   | 803   | 96            | 707   | 803   | 96            | 707   | 803   |
| GS-12    | 76           | 663   | 739   | 76            | 663   | 739   | 76            | 663   | 739   |
| GS-11    | 21           | 429   | 450   | 21            | 429   | 450   | 21            | 429   | 450   |
| GS-10    | 1            | 16    | 17    | 1             | 16    | 17    | 1             | 16    | 17    |
| GS-9     | 19           | 712   | 731   | 19            | 712   | 731   | 19            | 712   | 731   |
| GS-8     | 3            | 275   | 278   | 3             | 275   | 278   | 3             | 275   | 278   |
| GS-7     | 38           | 642   | 680   | 38            | 642   | 680   | 38            | 642   | 680   |
| GS-6     | 69           | 500   | 569   | 69            | 500   | 569   | 69            | 500   | 569   |
| GS-5     | 57           | 580   | 637   | 57            | 580   | 637   | 57            | 580   | 637   |
| GS-4     | 30           | 347   | 377   | 30            | 347   | 377   | 30            | 347   | 377   |
| GS-3     | 4            | 42    | 46    | 4             | 42    | 46    | 4             | 42    | 46    |
| GS-2     | --           | 7     | 7     | --            | 7     | 7     | --            | 7     | 7     |
| GS-1     | --           | 5     | 5     | --            | 5     | 5     | --            | 5     | 5     |



Permanent Positions by Grade and Staff-Year Summary

1989 Actual and Estimated 1990 and 1991

| Grade                                                                            | 1989 Actual  |       |       | 1990 Estimate |       |       | 1991 Estimate |       |       |
|----------------------------------------------------------------------------------|--------------|-------|-------|---------------|-------|-------|---------------|-------|-------|
|                                                                                  | Headquarters | Field | Total | Headquarters  | Field | Total | Headquarters  | Field | Total |
| Positions at rates<br>Established by Act<br>June 20, 1958<br>(U.S.C. 3104) ..... | --           | 20    | 20    | --            | 20    | 20    | --            | 20    | 20    |
| Grades Established<br>under Foreign<br>National Pay Plan..                       | --           | 28    | 28    | --            | 28    | 28    | --            | 28    | 28    |
| Ungraded Positions.                                                              | --           | 630   | 630   | --            | 630   | 630   | --            | 630   | 630   |
| Total Permanent<br>Positions .....                                               | 494          | 6,467 | 6,961 | 494           | 6,467 | 6,961 | 494           | 6,467 | 6,961 |
| Staff-Years:                                                                     |              |       |       |               |       |       |               |       |       |
| Ceiling .....                                                                    | 489          | 7,711 | 8,200 | 489           | 7,711 | 8,200 | 489           | 7,711 | 8,200 |
| Non-Ceiling .....                                                                | 10           | 140   | 150   | 10            | 140   | 150   | 10            | 140   | 150   |
| TOTAL .....                                                                      | 499          | 7,851 | 8,350 | 499           | 7,851 | 8,350 | 499           | 7,851 | 8,350 |

## AGRICULTURAL RESEARCH SERVICE

CLASSIFICATION BY OBJECTS1989 Actual and Estimated 1990 and 1991

|                                                             | <u>1989<br/>Actual</u>    | <u>1990<br/>Estimated</u> | <u>1991<br/>Estimated</u> |
|-------------------------------------------------------------|---------------------------|---------------------------|---------------------------|
| <b>Personnel Compensation:</b>                              |                           |                           |                           |
| Headquarters.....                                           | \$18,343,208              | \$19,109,000              | \$19,931,000              |
| Field.....                                                  | <u>240,011,843</u>        | <u>250,032,000</u>        | <u>260,784,000</u>        |
| 11 Total Personnel Compensation.....                        | 258,355,051               | 269,141,000               | 280,715,000               |
| 12 Personnel Benefits.....                                  | 47,261,143                | 49,064,000                | 50,837,000                |
| 13 Benefits for former employee...                          | <u>299,171</u>            | <u>- -</u>                | <u>- -</u>                |
| Total Pers. Comp. & Benefits.....                           | 305,915,365               | 318,205,000               | 331,552,000               |
| <b>Other Objects:</b>                                       |                           |                           |                           |
| 21 Travel and transportation of persons.....                | 9,511,896                 | 9,961,000                 | 10,411,000                |
| 22 Transportation of things.....                            | 1,371,714                 | 1,400,000                 | 1,450,000                 |
| 23 Communications, utilities and miscellaneous charges..... | 30,184,965                | 31,600,000                | 33,100,000                |
| 24 Printing and reproduction.....                           | 833,039                   | 850,000                   | 875,000                   |
| 25 Other services.....                                      | 123,766,152               | 123,447,000               | 139,607,000               |
| 26 Supplies and materials.....                              | 44,179,665                | 47,612,000                | 49,992,000                |
| 31 Equipment.....                                           | 36,272,679                | 39,523,000                | 42,323,000                |
| 32 Lands and Structures.....                                | 10,774,466                | 19,050,000                | 34,200,000                |
| 41 Grants, subsidies, and contributions.....                | <u>9,870,190</u>          | <u>13,000,000</u>         | <u>10,000,000</u>         |
| Total Other Objects.....                                    | <u>266,764,766</u>        | <u>286,443,000</u>        | <u>321,958,000</u>        |
| Total Obligations.....                                      | <u><u>572,680,131</u></u> | <u><u>604,648,000</u></u> | <u><u>653,510,000</u></u> |

Position Data:

|                                           |          |          |          |
|-------------------------------------------|----------|----------|----------|
| Average Salary, ES positions.....         | \$74,163 | \$78,957 | \$94,987 |
| Average Salary, GM/GS positions.....      | 31,303   | 32,617   | 33,698   |
| Average Grade, GM/GS positions.....       | 9.98     | 9.98     | 9.98     |
| Average Salary of Ungraded positions..... | \$31,584 | \$32,765 | \$33,736 |

Note: Includes Salaries and Expenses and Buildings and Facilities Appropriations.

AGRICULTURAL RESEARCH SERVICE  
(INCLUDING TRANSFERS OF FUNDS)

The estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Agricultural Research Service:

- For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, [~~\$592,339,000~~] \$621,510,000: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That uniform allowances for each uniformed employee of the Agricultural Research Service shall not be in excess of \$400 annually: Provided further, That appropriations hereunder shall be available to conduct marketing research: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed \$250,000, except for
- 1 headhouses or greenhouses which shall each be limited to [~~\$750,000~~] \$1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed [~~\$450,000~~] \$500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or \$250,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry
  - 2 out the Act of April 24, 1948 (21 U.S.C. 113a): [ Provided further, That the foregoing limitations on purchase of land shall not apply to the purchase of land at Corvallis, Oregon; Weslaco, Texas; and Kimberly, Idaho:] Provided further, That not to exceed \$190,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Assistant Secretary for Science and Education for the scientific review of international issues involving agricultural chemicals and food additives.

Special Fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, \$2,000,000.

Agricultural Research Service (continued)

The first change would increase the cost limitation on construction of ten buildings from \$450,000 to \$500,000 each. It would also change the limitation on headhouses connecting greenhouses to provide a \$1,000,000 limit on each headhouse or greenhouse.

The construction cost limitation on buildings should be increased in FY 1991 to maintain the previous values of these authorizations. Increases requested are derived from conservative estimates of cost changes for construction of specialized research laboratories and associated support facilities applicable in the construction industry.

The ARS and the Office of General Counsel (OGC) have long recognized that the dollar limitations are relatively low in terms of the ability to accomplish alterations and construction of research laboratory space. Such work routinely includes site utilities, special heating, ventilation, and temperature/humidity control requirements as well as special equipment like fume hoods and other research equipment. These features are essential in the accomplishment of sophisticated high technology research. These special features significantly increase the cost of construction and the cost of such special features have routinely been exempted from the limitations.

The ARS facility needs must often be subjectively broken into chargeable and non-chargeable cost items as they cannot be satisfied within the existing monetary limitations. This subjective determination of exempted costs is of great concern to the OGC.

To alleviate the OGC concern, to provide for uniformity and consistency, and to provide for the increased costs due to special construction requirements, the appropriation limitation should be adjusted upward to cover all incurred costs to provide the type and size of research facility needed.

The second change would delete language for the purchase of land at Corvallis, Oregon; Weslaco, Texas; and Kimberly, Idaho. This language will not be required in FY 1991.

AGRICULTURAL RESEARCH SERVICE

|                                 |                    |
|---------------------------------|--------------------|
| Appropriation Act, 1990 .....   | \$594,339,000      |
| Budget Estimate, 1991 .....     | <u>623,510,000</u> |
| Increase in Appropriation ..... | <u>+29,171,000</u> |

## Adjustments in 1990

|                                                                 |                              |                    |
|-----------------------------------------------------------------|------------------------------|--------------------|
| Appropriation Act, 1990 .....                                   | \$594,339,000                |                    |
| Gramm-Rudman-Hollings Reduction<br>(P.L. 99-177) .....          | -8,193,000                   |                    |
| Transfer to Animal and Plant Health<br>Inspection Service ..... | <u>-223,000<sup>a/</sup></u> |                    |
| Adjusted Base for 1990 .....                                    |                              | 585,923,000        |
| Budget Estimate, 1991 .....                                     |                              | <u>623,510,000</u> |
| Increase over adjusted 1990 .....                               |                              | <u>+37,587,000</u> |

<sup>a/</sup> Transfer in the Estimates for joint use of Plum Island, New York, facilities per Memorandum of Understanding dated July 26, 1989.

SUMMARY OF INCREASES AND DECREASES  
(On basis of specific projects)

|                                                                                                                                    | <u>1990<br/>Estimated</u> | <u>Pay Cost</u>     | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------|----------------------------|---------------------------|
| 1. Research to reduce ground-water contamination and enhance water quality.....                                                    | \$37,477,000              | - -                 | +\$7,400,000               | \$44,877,000              |
| 2. Research to determine impact of global climate change on the agricultural environment and agricultural impacts on climate ..... | 1,064,000                 | - -                 | +\$7,415,000               | \$8,479,000               |
| 3. Plant germplasm acquisition, maintenance and enhancement.                                                                       | 28,104,000                | - -                 | +2,200,000                 | 30,304,000                |
| 4. Plant genome research.....                                                                                                      | 99,000                    | - -                 | +3,674,000                 | 3,773,000                 |
| 5. Research to control narcotic plants.....                                                                                        | 1,484,000                 | - -                 | +5,000,000                 | 6,484,000                 |
| 6. Research to enhance animal health.....                                                                                          | 8,832,000                 | - -                 | +1,500,000                 | 10,332,000                |
| 7. Animal germplasm preservation and evaluation.....                                                                               | 5,001,000                 | - -                 | +1,700,000                 | 6,701,000                 |
| 8. Research to assure food quality and safety for the nation's consumers.....                                                      | 27,517,000                | - -                 | +10,800,000                | 38,317,000                |
| 9. Repair and maintenance of Federal facilities.....                                                                               | 24,914,000                | - -                 | -7,550,000                 | 17,364,000                |
| 10. All other.....                                                                                                                 | <u>451,431,000</u>        | <u>+\$5,448,000</u> | <u>- -</u>                 | <u>456,879,000</u>        |
| Total Available.....                                                                                                               | <u>585,923,000</u>        | <u>+5,448,000</u>   | <u>+32,139,000</u>         | <u>623,510,000</u>        |



SUMMARY OF INCREASES AND DECREASES  
 (On basis of program activity)

| <u>Projects</u>                                   | <u>1990<br/>Estimated</u> | <u>Pay Cost</u>   | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|---------------------------------------------------|---------------------------|-------------------|----------------------------|---------------------------|
| 1. Research on soil and water conservation.....   | \$73,565,000              | +\$663,000        | +\$14,815,000              | \$89,043,000              |
| 2. Research on plant sciences.....                | 216,589,000               | +2,289,000        | +10,874,000                | 229,752,000               |
| 3. Research on animal sciences.....               | 99,833,000                | +1,087,000        | +3,200,000                 | 104,120,000               |
| 4. Research on commodity conversion and delivery. | 110,113,000               | +1,135,000        | +10,800,000                | 122,048,000               |
| 5. Human nutrition research.....                  | 47,873,000                | +154,000          | - -                        | 48,027,000                |
| 6. Integration of agricultural systems.....       | 12,108,000                | +120,000          | - -                        | 12,228,000                |
| 7. Repair and maintenance of facilities.....      | 24,914,000                | - -               | -7,550,000                 | 17,364,000                |
| 8. Contingencies.....                             | <u>928,000</u>            | <u>- -</u>        | <u>- -</u>                 | <u>928,000</u>            |
| Total Available.....                              | <u>585,923,000</u>        | <u>+5,448,000</u> | <u>+32,139,000</u>         | <u>623,510,000</u>        |



Project Statement  
(on the basis of adjusted appropriation)

| PROJECT                                           | 1989 Actual  |                | 1990 Estimated |                | Increase or<br>Decrease | 1991 Estimated |                |
|---------------------------------------------------|--------------|----------------|----------------|----------------|-------------------------|----------------|----------------|
|                                                   | AMOUNT       | Staff<br>Years | AMOUNT         | Staff<br>Years |                         | AMOUNT         | Staff<br>Years |
| 1. Research on soil and water conservation....    | \$65,980,717 | 971            | \$73,565,000   | 971            | +\$15,478,000(1)        | \$89,043,000   | 971            |
| 2. Research on plant sciences.....                | 213,967,351  | 3,356          | 216,589,000    | 3,356          | +13,163,000(2)          | 229,752,000    | 3,356          |
| 3. Research on animal sciences.....               | 94,342,950   | 1,594          | 99,833,000     | 1,594          | +4,287,000(3)           | 104,120,000    | 1,594          |
| 4. Research on commodity conversion and delivery. | 107,811,907  | 1,665          | 110,113,000    | 1,665          | +11,935,000(4)          | 122,048,000    | 1,665          |
| 5. Human nutrition research.....                  | 45,576,211   | 226            | 47,873,000     | 226            | +154,000(5)             | 48,027,000     | 226            |
| 6. Integration of agricultural systems.....       | 12,978,887   | 176            | 12,108,000     | 176            | +120,000(6)             | 12,228,000     | 176            |
| 7. Repair and maintenance of facilities.....      | 20,843,742   | - -            | 24,914,000     | - -            | -7,550,000(7)           | 17,364,000     | - -            |
| 8. Contingencies                                  | a/           | - -            | 928,000        | - -            | - -                     | 928,000        | - -            |
| Unobligated balance.....                          | 1,879,235    | - -            | - -            | - -            | - -                     | - -            | - -            |
| Total, available or estimate...                   | 563,381,000  | 7,988          | 585,923,000    | 7,988          | +37,587,000             | 623,510,000    | 7,988          |
| Transfer to APHIS.....                            | - -          | - -            | 223,000        | - -            |                         |                |                |
| Pro-rata reduction P.L. 99-177...                 | - -          | - -            | 8,193,000      | - -            |                         |                |                |
| Total, Appropriation.....                         | 563,381,000  | 7,988          | 594,339,000    | 7,988          |                         |                |                |

a/ Obligations incurred under the Research Contingency Fund in 1989 amount to \$941,500 and are reflected in the Program Activities listed above.

## AGRICULTURAL RESEARCH SERVICE

## Explanation of Program

Under the Agriculture, Rural Development and Related Agencies Appropriations, the Agricultural Research Service develops the means for:

1. Managing and conserving the Nation's soil and water resources for a stable and productive agriculture. -- Research is conducted to develop the technology for assessing and predicting long-term changes in the quantity and quality of soil, water, and air resources available to agriculture; to provide the technology needed for improving, protecting, and restoring the productive capacity of agricultural soils; to develop improved water-management systems and practices to achieve effective and efficient use of water resources; and to develop subsystems and models that integrate the use of soil, water, and air resources for optimum management of major land resource areas.
2. Maintaining and increasing the productivity and quality of crop plants. -- Research is conducted to broaden the germplasm resources of plants and beneficial organisms to ensure maximum genetic diversity for improved productivity; to select and modify germplasm of plants, beneficial organisms, and pests; to develop improved production practices for maintaining and increasing crop productivity and quality and for reducing costs; to discover principles and develop improved methods for reducing crop losses caused by weeds, diseases, insects, nematodes, and other pests; and to develop improved methods for integrating the crop- and pest-management practices needed for higher and more stable levels of crop production.
3. Increasing the productivity of animals and the quality of animal products. -- Research is conducted to increase the genetic capacity of animals for production; to improve the efficiency of reproduction and reproduction-related biological processes; to improve animal nutrition and feed efficiency to increase productivity and product quality; to develop ways to prevent or control losses from diseases, parasites, and toxicants and other substances that limit animal performance and reduce the quality of animal products; to develop means for controlling insects, ticks, and mites that affect animals and man; and to devise means for improving and integrating procedures and facilities for production and transport of animals to increase productivity, reduce costs, and minimize stresses.
4. Achieving maximum use of agricultural products for domestic markets and export. -- Research is conducted to develop means for enhancing the inherent properties and uses of agricultural materials; to develop the means for meeting foreign and domestic user and regulatory requirements relating toxic factors in food, feed, and other agricultural products; to develop means for reducing or eliminating postharvest losses caused by pests, spoilage, and physical and environmental damage; and to develop the means for increasing efficiency of systems for processing, handling, storing, and distributing agricultural products.
5. Promoting optimum human health and well-being through improved nutrition and family resource management. -- Research is conducted to define the nutrient requirements of humans at all stages of the life cycle; to determine the nutrient content of agricultural commodities and processed foods as eaten, and establish the bioavailability of their nutrients; and to improve the nutritional status of humans and the well-being of families by making techniques available for assessing the effectiveness of nutrition and home economics programs.

6. Integrating scientific knowledge of agricultural production, processing, and marketing into systems that optimize resource management and facilitate transfer of technology to users. -- Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products; and to develop alternative agricultural systems, including those of small scale, that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.
7. Repair and maintenance of facilities. -- Funds are used to repair and maintain ARS facilities to provide safe, energy-efficient and functional workspace for in-house research. In addition to this national program which focuses primarily on safety and energy retrofit projects, ARS is committed to adequately funding routine maintenance and repair. To assure that all facilities are properly maintained, each location allocates program funds as appropriate to perform the most pressing needs.

The research performed by Agricultural Research Service (ARS) is authorized by the Department of Agriculture Organic Act of 1862 (7 U.S.C. 2201, 2204) the Research and Marketing Act of 1946, as amended (7 U.S.C. 427, 1621) the Food and Agriculture Act of 1977, as amended (7 U.S.C. 1281 note), and the Food Security Act of 1985 (7 U.S.C. 3101 note).

## JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$15,478,000 for research on soil and water conservation consisting of:

- (a) An increase of \$7,400,000 for research to reduce groundwater contamination and enhance water quality (\$37,477,000 available in FY 1990).

Need for Change: The general public is concerned that the quality of the Nation's drinking water is being degraded by pesticides, nutrients, sediments, animal wastes, salts, and toxic trace elements. The Water Quality Act of 1987 has underscored the need for improved control of nonpoint sources of pollution associated with Agriculture. In FY 1990, a Presidential Initiative on Enhancing Water Quality was announced to promote a national priority and visibility for this issue throughout the next four years. The information required to accurately assess groundwater quality and focus resources to accomplish needed changes is identified in the USDA Research Plan for Water Quality Research.

Nature of Change: A multi-faceted national approach to developing technologies that minimize the impact of agricultural chemicals will be supported by this increase. The integrated nationally directed water quality program will be used to achieve the goals and objectives of the USDA Research Plan for Water Quality. Chemical transport research will stress the development of new and improved farming strategies and decision aids. Priority will be given to solving the problems of sampling, sample integrity, and analytical methodology. Further research will be undertaken to more completely define the chemical and biological degradation process, mobility and leaching processes, and volatilization and plant uptake processes for the agricultural chemicals being detected in groundwater. New weed control practices will be developed that include the use of herbicides in controlled-release carriers; low-persistence herbicides; band applications of herbicides; specific application times and rates; split applications; herbicide combinations; and combination of chemical and nonchemical measures. Standardized methods for quantifying differences among pesticides in leachability, and differences among soil variables and management practices in their effects on pesticide leachability will be developed. These research projects will provide for the knowledge needed by the Extension Service and the Soil Conservation Service in formulating educational and technical assistance programs to their clientele.

Plant breeding and germplasm research will address the utilization of nitrogen fertilizer more efficiently by major crops, thereby minimizing the potential for nitrate pollution. Research will be supported that promotes the development of resistance to those insects, nematodes, and diseases that require the use of pesticides that pose a significant threat to water quality. Molecular biology research that specifies the nature and composition of these chemicals and determines the regulatory molecular gene systems controlling their expression, will be expanded. Attention will also be given to the genetic engineering of microbes that will provide pest resistance with reduced environmental damage.

New and more diversified crop production systems that substantially decrease the movement of potentially hazardous chemicals to groundwater will be developed. Simplified forms of water quality models will be developed for national and community managers and regulatory personnel to predict in broad terms environmental fate of



chemicals introduced into agricultural systems. New fertilizer practices will be developed and tested that include the use of various regulators of soil and crop biology to control soil nitrate levels during periods of high leaching potential, management practices that synchronize soil nitrate availability with nitrogen requirement of the crop, and the use of winter cover crops to reduce water and nitrate levels in the soil during noncrop seasons. Developments in pesticide application technology will also be evaluated for effectiveness with these new crop production systems.

The need for ARS to strengthen collaborative work with other agencies and institutions with national research capabilities and responsibilities related to water quality protection will be emphasized particularly as it relates to cooperation with CSRS and the State Experiment Stations. A continued expansion of collaborative research with the U.S. Geological Survey and EPA is projected. The transfer of scientific information on groundwater quality research to action agencies will be given a high priority.

- (b) An increase of \$7,415,000 for research to determine impact of global climate change on the agricultural environment and agricultural impacts on climate (\$1,064,000 available in FY 1990).

Need for Change: Human activities including production and combustion of fossil fuels, clearing of forest lands, increases in ruminant animal and wet rice production, increased use of nitrogen fertilizers, and manufacture and release of chlorofluorocarbons are changing the composition of the earth's atmosphere. Earth systems models indicate that these changes could substantially alter the global environment. Predicted environmental changes include increased atmospheric carbon dioxide concentration, elevated ultraviolet radiation levels, higher temperatures, and less predictable rainfall. This nationally coordinated research assesses the impact of these changes on agricultural production, and the impact of agricultural production on factors that control these changes. This research project, which will be coordinated with the research being performed by other agencies, will enable the Cooperative Extension Service to carry out educational programs to farmers and ranchers in this emerging international concern.

Nature of Change: The multi-faceted research approach will focus on understanding the physical, chemical, and biological processes linking the performance of the agricultural system to climate change variables. This understanding will be captured and quantified in system models, which will serve not only as a framework to organize experimental data and response functions, but also as the foundation for the development of decision-aids for agricultural and natural resource managers. These decision-aids will help managers developing alternative production systems that are resilient to possible future global change stresses. They will also provide a basis for developing agricultural management practices that minimize their negative impacts on climate change. These include reducing the evolution of trace gases such as carbon dioxide, methane, nitrous oxide, tropospheric aerosols such as dust and smoke, and optimizing vegetative land cover and soil properties that influence water absorption and storage capacity, sediment yield or other hydrologic properties, as well as surface albedo which affects radiation absorption.

Specifically ARS will conduct controlled experiments to determine the biological responses of important agricultural crops and animals to climate variables. The information gained from these experiments will be used to develop physiologically-based computer models to predict the effects of global change on the performance of agricultural crops

and animals, and the impact of management practices on factors that affect climate change. From these predictions, economic impact and risk assessment models will be developed to help policy makers establish management strategies for agricultural systems to cope with global climate change on a national scale.

Because of the particular importance of carbon dioxide, research will be performed to determine the impact of its rising concentration on plants. Emphasis will be on crop, rangeland, and tree performance under changing levels of carbon dioxide, temperature, soil water, and UV-B radiation. Experimental results from this research will help fill knowledge gaps that now limit our capability to accurately predict yields and requirements for fertilizers, irrigation, and other inputs at expected future environments. These results will also improve estimates of the strength of the carbon sink represented by the biosphere at elevated carbon dioxide concentrations and elevated temperatures. This initiative will accelerate current research efforts that are being conducted in cooperation with the Department of Energy to obtain critical physiological response functions of major plant species to increasing carbon dioxide concentration. In addition, experimental facilities operated at controlled carbon dioxide concentrations will range from fully controlled growth chambers to open-top field enclosures to non-enclosed field releases.

This increase will also support experimental assessments of the evolution of methane from rice and ruminant animals and nitrous oxides from use of fertilizers. These results, as well as those from the carbon dioxide experiments, will be incorporated into simulation models. These models have the potential for encapsulating our knowledge in a form that can be used for making predictions. Crop and animal models will serve as building blocks for simulators that deal with more complex environments, including natural ecosystems. The Department of Energy has need for simulators to predict the biosphere response to future climatic conditions, including a high-carbon dioxide world. USDA requires simulators to predict the yield and performance of crops and animals that sustain our food and fiber system under future environmental conditions that may be very different from those of the past. Gaseous and aerosol fluxes from agricultural lands are needed as inputs to global circulation models.

Simulation models will be modular based on physiological mechanisms. They will account for environmental factors including carbon dioxide concentration, temperature, moisture, and radiation level and quality. Modules developed for one crop or animal species will serve as a foundation for extending predictions for other crops and for simulation of the response of species in natural ecosystems for the entire nation.

- (c) An increase of \$663,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (2) An increase of \$13,163,000 for research on plant sciences consisting of:
  - (a) An increase of \$2,200,000 for plant germplasm acquisition, maintenance and enhancement (\$28,104,000 available in FY 1990).

Need for Change: These funds will be used to support the nationally directed and Federal-State-industry coordinated National Plant Germplasm System. A wide array of genetic diversity is essential to reduce the genetic vulnerability of crop plants to climatic stress and pests, while lowering production costs and improving product quality. After acquisition by exploration or exchange, it is essential to



accurately classify taxonomically; document in the Germplasm Resources Information Network (GRIN) database; and distribute the material to the repositories as rapidly as possible. Quarantine clearance procedures must be enacted and pathogen tests must be rapid and accurate. Germplasm evaluation and enhancement is critical if desired genetic diversity is to be identified and utilized in a sustained, productive agriculture.

Nature of Change: Selected genetic stock collections of crops will be assembled for systematic evaluation and use in genome mapping projects. The National Clonal Germplasm Repositories for fruit and nut crops will be expanded and improved technologies developed for maintaining and distributing accessions.

In the area of enhancement, special emphasis will be given to the screening and utilization of the germplasm collections to identify and incorporate new sources of disease, insect, and nematode resistance in our major field and horticultural crops. Materials also will be screened for pest resistance and tolerance to climatic stress including drought, heat, and cold. Special emphasis will be given to expediting the plant quarantine process to ensure the safety of the material introduced and accelerate its transfer to users. Winter nurseries will be strengthened to accelerate germplasm evaluation and enhancement of corn, sorghum, peanut, soybean, and other crops.

The international collection of nitrogen fixing Rhizobium bacteria will be supported to ensure that this valuable material will be preserved and made available to all research scientists for increasing the efficiency of biological nitrogen fixation in our cropping systems.

- (b) An increase of \$3,674,000 for plant genome research (\$99,000 available in FY 1990).

Need for Change. A plant genome program is essential for the U.S. to maintain and strengthen a strong global position in agricultural efficiency and profitability. Knowledge about the genomes of important food and forest species is essential to control or influence yield, time of maturation, nutritional content, and resistance to disease, insects and drought, and to develop and improve crops. The products of plant genome research can have wide application and can have beneficial impact on the environment, on the production of food, fibers, fuel, and on human nutrition and health.

It is timely to accelerate a coordinated and directed plant genome research program. Other nations are aggressively pursuing plant genome mapping efforts at this time and threaten U.S. leadership in further developing the agricultural sciences. The ability of American agriculture to meet 21st Century challenges will depend on investments made now. The scientific tool of biotechnology can capitalize on recent advances in our understanding of biology, and offers promise of new markets and new solutions to problems not conceivable a few years ago.

Nature of Change. The proposed program will be national in scope with strong international implications and will require maximum input, cooperation, and planning across the entire scientific community. There will be networking and coordination with plant genome activities of the National Institutes of Health, National Science Foundation, Department of Energy, Forest Service, other Federal agencies, the agricultural industry, and the international arena.

Responsibility for gene mapping important agronomic crops will be assigned to the ARS. Specifically, ARS will be accountable to locate, transfer, and maintain plant genes that are desirable in agronomic crops in order to solve problems associated with drought, disease, and other factors that affect yield and quality of products. ARS is a problem-solving Agency concerned with national agricultural challenges and has a long-term commitment in this research area through its strong plant breeding program. The gene mapping program will be closely integrated with the ARS germplasm program and depends in large part on informational services provided by the National Agricultural Library. Additionally, ARS managers have an in-depth knowledge of the mission-oriented needs of USDA and other Federal agencies and will, therefore, help identify the most pressing areas toward which to target competitive grant program funds. The Cooperative State Research Service's budget proposes \$15 million for this effort under its National Research Initiatives proposal. A peer review panel will evaluate and score all proposals.

The Plant Genome Mapping Program will be housed in the Agricultural Research Service and managed by a director with scientific input from a coordinating committee co-chaired by ARS and CSRS representatives.

In parallel with the expanded and more intensively coordinated plant gene mapping initiative, a major national information networking system will be developed and maintained to support the plant gene mapping generated knowledge base. A logical, phased approach to developing such a network and data base of information will be followed. The approach to this essential requirement will entail assembling a group of scientists presently involved in plant gene research, computer scientists/specialists, computer telecommunications and data informers to identify the requirements/needs of the total system and determine what should be done.

- (c) An increase of \$5,000,000 for research to control narcotic plants (\$1,484,000 available in FY 1990).

Need for Change: Additional funding is required for research to expedite the development of an environmentally-safe control agent for the eradication of illicit narcotic crops.

Nature of Change: The recommended funding will be used to develop environmentally safer control technology including new control agents, production systems, formulations, and application technology. Research on the physiology and biochemistry of illicit narcotic crops will be expanded with the objective of discovering new potential targets for additional control technology.

- (d) An increase of \$2,289,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.

- (3) An increase of \$4,287,000 for research on animal sciences consisting of:

- .. (a) An increase of \$1,500,000 for research on economically important diseases of livestock and poultry (\$8,832,000 available in FY 1990).

Need for Change: Increased research funding on economically important diseases of livestock and poultry is required to enhance the speed, accuracy, and sensitivity of diagnostic tests. These include both domestic and foreign diseases that threaten our national livestock and poultry industries. Diagnostic tests are needed by APHIS and FSIS to assure that diagnosis, control, and eradication of the disease can be

more effectively carried out to prevent losses and reduce costs to producers and to enhance U.S. exports of live animals and animal products. Research is also needed to develop diagnostic technology for foreign and domestic diseases in embryos which will reduce transmission of disease agents and increase export of animals and animal products.

Nature of Change: Research will be initiated to provide information on specific gene actions of hosts, pathogens, and vectors and those interactions that enhance detection of diseases, parasites, and arthropods affecting livestock and poultry. Genetic factors which control the immune response of the host will be investigated. Nonpathogenic living vectors capable of transporting and expressing selected foreign genes to confer enhanced immunity without producing clinical manifestations of disease in a host will be developed. Gene insertion directly into host genomes will also be investigated. Cellular immune components of the host that are genetically controlled will be identified so that efforts can be directed toward altering their external genetic expression.

Specific research will be conducted to: develop disabled (replication defective) retroviral vectors and the technology for using them to insert genes in the germline; use the vector system to insert genes for disease resistance into the germline of chickens and evaluate inheritance, expression, and disease resistance; clone or obtain clones of genes that can be used to enhance disease resistance using gene insertion technology; and construct avian virus vectors for the transmission and expression of desirable genes in poultry.

Research on economically important infectious diseases, noninfectious diseases, and internal and external parasites, such as avian influenza, hemoparasites, coccidiosis, cattle grubs, helminths, ticks, Johne's disease, spongiform encephalopathies, respiratory disease, colibacillosis, and atrophic rhinitis will be directed at enhancing the speed, accuracy, and sensitivity of diagnostic procedures. This research addresses national problems and requires central direction and coordination.

This technology will contribute to the support of action agency programs in animal disease control and eradication.

- (b) An increase of \$1,700,000 for economically important animal germplasm preservation and evaluation (\$5,001,000 available in FY 1990).

Need for Change: Funding is essential to enhance animal germplasm for its diversity to ensure continued genetic improvement and to conduct research on economically important domestic and foreign diseases of livestock and poultry to prevent losses, assure diagnosis, control, and eradication.

Availability and effective utilization of animal genetic resources in food and fiber species are essential to ensure efficient production of animal products. The U.S. livestock industry is dependent on access to global stocks for its continuing development. Access to global stocks of animal germplasm is essential to improve the efficiency of animal production by utilizing new sources of genetic material to increase growth rate, ratio of protein to fat in carcasses, milk production, and disease resistance. Also, maintenance of the genetic diversity of germplasm within and between species is necessary so that specific genes and gene complexes can be drawn from the pool of genetic variability. The conservation of genetic diversity will provide optimum access to desirable genes that will be useful to researchers and benefit producers and breeders. National and



international organizations must be involved to develop, direct, and coordinate programs that will ensure the maintenance of diversity in food-producing animals.

Nature of Change: Approximately 85 percent of the genes in swine and cattle are identical to those in the human. Therefore, much of the gene mapping in humans can be directly applied to livestock by establishing markers along the genome and comparing results directly to the human gene map. However, a considerable amount of specific gene mapping for cattle and swine will be required to delineate specific differences in gene structure and location as compared to the gene map of the human genome. When the genes or groups of genes that control specific diseases, external fat, marbling in cattle, tenderness, muscle development, milk composition, ovulation rate, and other traits of economic importance are located, the industry will be able to produce a competitive product for export and domestic markets.

New research will be initiated on germplasm preservation and cryopreservation of embryos and sex control of gametes; characterization and evaluation of new germplasm resources; gene mapping; gene identification and cloning; gene insertion and modification; and inventory and data base management of germplasm data. The objectives of the research are to: identify and clone DNA elements to alter genomes of farm animals and microbes to improve growth, milk and egg characteristics, reproductive traits, and disease resistance of livestock and poultry; develop physical and genetic maps of the genomes of selected major production-related genes and pathogens to identify gene coding for replication, potential protective antigens, and regulatory elements; identify new genes and clone new, previously characterized genes associated with growth, milk and egg production, and disease resistance; and improve efficiency of gene insertion and appropriate gene expression and physiology of resultant lines of transgenic animals.

- (c) An increase of \$1,087,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (4) An increase of \$11,935,000 for research on commodity conversion and delivery consisting of:
  - (a) An increase of \$10,800,000 for research to assure food safety (\$27,517,000 available in FY 1990).

Need for Change: The nation's consumers are becoming more concerned about the quality and safety of the food they eat, and food safety standards are becoming more stringent. Heightened consumer awareness of microbial and chemical contamination intensifies the need to assure the safety and quality of the food supply. Mycotoxins in particular have become increasingly important following the dry summer of 1988, the more stringent regulatory requirements of the EEC countries and the interest in toxic contaminants from individual states, e.g., California. There is need for national centrally directed research to efficiently attack these problems and provide workable solutions. This research directly supports the priority needs of the action agencies FSIS and AMS.

Nature of Change: Maintaining the safety of new minimally processed, fresh appearing products containing meat, vegetables, seafood, dairy products, etc. is an extremely challenging problem. ARS research will develop a model for the growth of problem pathogens in specific susceptible food products of widespread concern to determine the effects of variation of factors such as time, temperature including

type of energy source, pH, additives, and water activity. These data will be used to implement the multi-barrier or hurdle concept of microbial pathogen control in these minimally processed foods and to aid in developing Hazard Analysis Critical Control Point (HACCP) monitoring by the food industry and the regulatory agencies. New food-borne pathogens will be characterized and accurate and efficient methods developed for their detection prior to inclusion in the modeling studies. These include the bacteria Escherichia coli 0157 and specific food and water-borne viruses. The control of Salmonella and other pathogens will be enhanced through the use of (1) non-pathogenic competitive bacteria in food and (2) sugars and specific bacteria in young chickens to regulate intestinal pH.

Animals may carry subclinical bacterial, mycotic and parasitic infections that can result in infected meat and poultry products. When consumed, these products can result in human illness. Control methods will be developed to eliminate Toxoplasma, Cysticercus and Salmonella in swine, cattle and poultry. Assuring Salmonella-free eggs is important because we are accustomed to consuming some foods containing undercooked or even raw eggs. ARS research will determine factors that affect the source of the contamination, colonization of the host and the transmission of infection from animal to animal and/or through primary or intermediate hosts. Methods will be developed to prevent Aspergillus flavus, aflatoxin and endophytes of grasses from contaminating animal feed, and thus prevent exposure to aflatoxin in both humans and animals.

Aflatoxin is the cause of increased losses in the marketing of corn, cottonseed, peanuts, tree nuts and/or milk in part because of new lower tolerances in the U.S. and in Europe. The nationally coordinated ARS research will utilize biotechnology in developing solutions to eliminate mycotoxins in marketed commodities, e.g., by enhancing host plant resistance to attack by aflatoxigenic fungi and, secondly, to reduce aflatoxin levels by introduction of biocompetitive agents. This work will also include determination of the ecological factors which affect the availability of the inoculum and the mechanism of inoculation of the toxic fungi to susceptible commodities.

Direct application of pesticides to food crops presents a potential food safety problem. Effective biological control of plant pests is needed to provide ecologically sound methods of pest control. Alternative pest control methods utilizing both natural enemies and resistant crop germplasm will be developed to replace chemicals, insecticides, fungicides, and nematocides removed from the marketplace because of potential contamination of food and other environmental concerns. On vegetables, important biological control targets for ARS research are: aphids, mealybugs, beetles, diamond back moth, and sweet potato whitefly. Nonchemical control of codling moth is the key to controlling other fruit pests by beneficial organisms. Genetic modification of plants will be explored utilizing satellite viruses, cross protection to develop transgenic plants. Also insect bacterial toxin genes will be used to provide transgenic plants (resistant to insects). Targets for this results oriented research are cucumber mosaic virus, citrus tristeza virus, European corn borer and Colorado potato beetle.

Detection of drugs and other chemicals at the low part per billion levels requires a sequence of steps often developed by trial and error for the isolation of drug from the meat matrix, to remove interfering substances and for the analytical step. ARS research will combine modeling with expert systems approaches to expeditiously design entire drug analytical schemes. This computer-aided research will enable

much of the lengthy experimental process to be circumvented. Practical development of these sophisticated new techniques will be supported by the identification and quantification of metabolites in animals, improved rapid clean-up procedures utilizing the newly developed bioaffinity techniques, and the production of incurred residues for checking the applicability and accuracy of the methodology.

- (b) An increase of \$1,135,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (5) An increase of \$154,000 for research on human nutrition consisting of:
  - (a) An increase of \$154,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (6) An increase of \$120,000 for research on integration of agricultural systems consisting of:
  - (a) An increase of \$120,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (7) A decrease of \$7,550,000 for repair and maintenance of Federal facilities (\$24,914,000 available in FY 1990).

Need for Change: The FY 1991 Budget recommends a change in budgeting for major projects carried out for the renovation of the Beltsville Agricultural Research Center (BARC). The change results in a reduction of \$7,550,000 from the Salaries and Expenses appropriation for repair and maintenance activities carried out at BARC and a concurrent increase of \$16,000,000 under the Buildings and Facilities Appropriation for Beltsville modernization. The nature and complexity of designing, planning, renovation, etc., the numerous facilities, roads and other capital assets under the BARC project require that resources be available beyond a one-year time period. The Buildings and Facilities Appropriation is established for major construction projects and is the appropriation subject to the General Provisions which accompany the Appropriation Act and which generally provide that funds under this account be available until expended. Prudent management requires that these funds be available, if necessary, beyond the fiscal year in which they are appropriated.

Nature of Change: In FY 1991 funding in the amount of \$7,550,000 will be reduced under the Salaries and Expenses Appropriation for the Beltsville Agricultural Research Center, Beltsville, Maryland. Additional funds for BARC modernization, \$16,000,000, are requested under the ARS Buildings and Facilities Appropriation. These actions will provide for a more flexible and effective management implementation of BARC construction, repair, renovation and modernization needs. Additional funds remain available in the Salaries and Expenses Appropriation for BARC and other ARS research facilities under the line item "Repair and Maintenance of Facilities" for routine repair and energy retrofit projects which can be efficiently planned and contracted for during the fiscal year.

Further, the overall BARC modernization plan recommends new construction, rather than alterations, as a more cost-effective means of providing certain facilities. Authority for major new construction projects is available through the Buildings and Facilities account.



## CONTINGENCY RESEARCH FUND

The Contingency Research Fund, established by Congress in Fiscal Year 1962, is designed to provide a ready source of funds to meet unforeseen and immediate research needs. Releases from the fund are generally made in situations where an emergency exists, or for special needs such as an unexpected scientific "breakthrough," or for new diseases or pest problems where it appears inadvisable to wait for consideration of a request for funds for the project in the regular budget process. In allocating funds, the procedure is to make no commitments for allocations from the fund beyond the current year.

|                                                                                                                                                                           | <u>1989 Obligations</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Emergency cleanup of mercury contamination, Albany, California .....                                                                                                      | \$26,500                |
| Replacement of HVAC system at Byron, Georgia .....                                                                                                                        | 70,000                  |
| Supplement feed for sheep, snow removal, and storm damage repairs, Dubois, Idaho .....                                                                                    | 43,000                  |
| Rebuild and replenish bee hives lost during a recent storm, Baton Rouge, Louisiana .....                                                                                  | 15,000                  |
| Repair feed mill damaged by wind storms, Miles City, Montana .....                                                                                                        | 8,400                   |
| Replace fire door for Building 101 at Plum Island Animal Disease Center to meet safety requirements, Greenport, L.I., New York .....                                      | 12,000                  |
| Replacement costs for two barns destroyed by tornado, El Reno, Oklahoma .....                                                                                             | 31,226                  |
| Repair damages caused by vandalism, fire, and smoke to the Microbial Food Safety Research Laboratories, Eastern Regional Research Center, Wyndmoor, Pennsylvania .....    | 267,000                 |
| Replace roofs on greenhouse destroyed by hail storm, Brookings, South Dakota .....                                                                                        | 37,000                  |
| Replacement of stolen office equipment, Weslaco, Texas .....                                                                                                              | 10,000                  |
| Purchase security equipment: security alarms and chain-link metal fencing for protecting location property and providing a less hazardous workplace, Weslaco, Texas ..... | 78,442                  |
| Repairs and replacement of roofs on two buildings at complex, damages caused by major hail storm, Bushland, Texas .....                                                   | 32,051                  |
| Repairs and replacement of facilities. Damages caused by hurricane Hugo, St. Croix, Virgin Islands .....                                                                  | <u>310,881</u>          |
| Total, 1989 Obligations .....                                                                                                                                             | <u><u>941,500</u></u>   |

## STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION

(On basis of adjusted appropriation)

| Location               | Actual 1989 |             | Estimated 1990 |             | Estimated 1991 |             |
|------------------------|-------------|-------------|----------------|-------------|----------------|-------------|
|                        | Dollars     | Staff-Years | Dollars        | Staff-Years | Dollars        | Staff-Years |
| ALABAMA, Auburn.....   | \$2,610,069 | 47          | \$2,429,500    | 47          | \$2,654,500    | 47          |
| ALASKA, Fairbanks..... | 707,128     | 8           | 703,900        | 8           | 703,900        | 8           |
| ARIZONA                |             |             |                |             |                |             |
| Phoenix.....           | 4,944,500   | 109         | 4,832,500      | 109         | 5,687,500      | 109         |
| Tucson.....            | 3,944,455   | 75          | 3,510,500      | 75          | 3,690,500      | 75          |
| Total.....             | 8,888,955   | 184         | 8,343,000      | 184         | 9,378,000      | 184         |
| ARKANSAS               |             |             |                |             |                |             |
| Booneville.....        | 980,589     | 18          | 1,115,100      | 18          | 1,115,100      | 18          |
| Stuttgart.....         | 421,808     | 5           | 356,100        | 5           | 356,100        | 5           |
| Total.....             | 1,402,397   | 23          | 1,471,200      | 23          | 1,471,200      | 23          |
| CALIFORNIA             |             |             |                |             |                |             |
| Albany.....            | 19,646,509  | 280         | 18,410,600     | 280         | 18,950,600     | 280         |
| Brawley.....           | 301,751     | 8           | 289,700        | 8           | 289,700        | 8           |
| Davis.....             | 1,427,577   | 21          | 1,354,300      | 21          | 1,534,300      | 21          |
| Fresno.....            | 3,828,239   | 68          | 3,375,600      | 68          | 3,375,600      | 68          |
| Pasadena.....          | 1,483,070   | 26          | 1,432,600      | 26          | 1,432,600      | 26          |
| Riverside.....         | 2,874,170   | 49          | 2,971,000      | 50          | 2,971,000      | 50          |
| Salinas.....           | 1,682,757   | 35          | 1,715,200      | 35          | 1,715,200      | 35          |
| San Francisco.....     | 3,827,720   | 39          | 4,221,100      | 40          | 4,221,100      | 40          |
| Shafter.....           | 1,215,375   | 20          | 1,168,600      | 20          | 1,168,600      | 20          |
| Total.....             | 36,287,168  | 546         | 34,938,700     | 548         | 35,658,700     | 548         |
| COLORADO               |             |             |                |             |                |             |
| Akron.....             | 734,796     | 15          | 719,500        | 15          | 719,500        | 15          |
| Fort Collins.....      | 8,512,716   | 147         | 8,855,800      | 147         | 9,305,800      | 147         |
| Total.....             | 9,247,512   | 162         | 9,575,300      | 162         | 10,025,300     | 162         |
| DELAWARE               |             |             |                |             |                |             |
| Georgetown.....        | 779,407     | 13          | 724,200        | 13          | 724,200        | 13          |
| Newark.....            | 634,964     | 13          | 560,500        | 13          | 560,500        | 13          |
| Total.....             | 1,414,371   | 26          | 1,284,700      | 26          | 1,284,700      | 26          |
| DISTRICT OF COLUMBIA   |             |             |                |             |                |             |
| Program.....           | 3,699,892   | 65          | 3,669,500      | 65          | 3,669,500      | 65          |
| Headquarters           |             |             |                |             |                |             |
| Federal                |             |             |                |             |                |             |
| Administration....     | 28,936,617  | 499         | 30,812,400     | 499         | 30,812,400     | 499         |
| Centrally Fi-          |             |             |                |             |                |             |
| nanced Services....    | 8,315,687   | - -         | 8,447,100      | - -         | 8,447,100      | - -         |
| Subtotal.....          | 37,252,304  | 499         | 39,259,500     | 499         | 39,259,500     | 499         |
| Total.....             | 40,952,196  | 564         | 42,929,000     | 564         | 42,929,000     | 564         |
| FLORIDA                |             |             |                |             |                |             |
| Brooksville.....       | 446,382     | 10          | 626,600        | 10          | 626,600        | 10          |
| Canal Point.....       | 854,794     | 20          | 894,500        | 20          | 894,500        | 20          |
| Fort Lauderdale.....   | 677,814     | 13          | 638,700        | 13          | 638,700        | 13          |
| Gainesville.....       | 8,708,955   | 157         | 8,365,900      | 157         | 9,310,900      | 157         |
| Miami.....             | 1,508,578   | 30          | 1,589,200      | 30          | 1,589,200      | 30          |
| Orlando.....           | 3,915,723   | 64          | 3,907,400      | 64          | 4,087,400      | 64          |
| Winter Haven.....      | 1,146,923   | 16          | 1,204,400      | 16          | 1,204,400      | 16          |
| Total.....             | 17,259,169  | 310         | 17,226,700     | 310         | 18,351,700     | 310         |

## STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION

(On basis of adjusted appropriation)

| Location                | Actual 1989 |             | Estimated 1990 |             | Estimated 1991 |             |
|-------------------------|-------------|-------------|----------------|-------------|----------------|-------------|
|                         | Dollars     | Staff-Years | Dollars        | Staff-Years | Dollars        | Staff-Years |
| GEORGIA                 |             |             |                |             |                |             |
| Athens.....             | 12,471,953  | 192         | 13,073,000     | 192         | 14,333,000     | 192         |
| Byron.....              | 1,955,734   | 43          | 1,928,700      | 43          | 1,928,700      | 43          |
| Dawson.....             | 1,374,707   | 27          | 1,368,900      | 27          | 1,728,900      | 27          |
| Experiment.....         | 1,461,673   | 8           | 1,404,800      | 8           | 1,404,800      | 8           |
| Savannah.....           | 2,600,886   | 52          | 2,605,900      | 52          | 2,605,900      | 52          |
| Tifton.....             | 6,564,215   | 101         | 6,469,900      | 101         | 7,324,900      | 101         |
| Watkinsville.....       | 1,975,472   | 27          | 1,731,000      | 27          | 1,731,000      | 27          |
| Total.....              | 28,404,640  | 450         | 28,582,200     | 450         | 31,057,200     | 450         |
| HAWAII, Honolulu.....   | 6,133,152   | 65          | 7,067,800      | 65          | 7,067,800      | 65          |
| IDAHO                   |             |             |                |             |                |             |
| Aberdeen.....           | 1,296,775   | 11          | 1,807,500      | 12          | 1,807,500      | 12          |
| Boise.....              | 1,096,966   | 17          | 1,032,700      | 17          | 1,032,700      | 17          |
| Dubois.....             | 1,734,918   | 11          | 1,811,600      | 11          | 1,811,600      | 11          |
| Kimberly.....           | 2,190,157   | 41          | 2,176,200      | 41          | 2,176,200      | 41          |
| Total.....              | 6,318,816   | 80          | 6,828,000      | 81          | 6,828,000      | 81          |
| ILLINOIS                |             |             |                |             |                |             |
| Peoria.....             | 19,955,341  | 317         | 20,683,800     | 317         | 21,223,800     | 317         |
| Urbana.....             | 3,471,565   | 49          | 3,314,400      | 49          | 3,584,400      | 49          |
| Total.....              | 23,426,906  | 366         | 23,998,200     | 366         | 24,808,200     | 366         |
| INDIANA, Lafayette..... | 3,235,023   | 42          | 3,062,100      | 42          | 3,242,100      | 42          |
| IOWA, Ames/Ankeny.....  | 19,110,305  | 328         | 21,904,300     | 328         | 23,209,300     | 328         |
| KANSAS, Manhattan.....  | 4,246,224   | 64          | 3,834,700      | 64          | 3,834,700      | 64          |
| KENTUCKY, Lexington.... | 972,552     | 16          | 933,200        | 16          | 933,200        | 16          |
| LOUISIANA               |             |             |                |             |                |             |
| Baton Rouge.....        | 1,759,179   | 34          | 1,713,700      | 34          | 1,893,700      | 34          |
| Houma.....              | 1,316,601   | 33          | 1,299,800      | 33          | 1,299,800      | 33          |
| New Orleans.....        | 16,267,436  | 243         | 15,520,000     | 243         | 15,880,000     | 243         |
| Total.....              | 19,343,216  | 310         | 18,533,500     | 310         | 19,073,500     | 310         |
| MAINE, Orono.....       | 510,681     | 6           | 433,000        | 6           | 433,000        | 6           |
| MARYLAND                |             |             |                |             |                |             |
| Beltsville.....         | 76,993,798  | 1,286       | 75,237,600     | 1,287       | 79,265,100     | 1,287       |
| Frederick.....          | 2,090,640   | 41          | 2,085,400      | 41          | 2,085,400      | 41          |
| Hyattsville.....        | 419,652     | 8           | 493,100        | 8           | 493,100        | 8           |
| Total.....              | 79,504,090  | 1,335       | 77,816,100     | 1,336       | 81,843,600     | 1,336       |
| MASSACHUSETTS, Boston.. | 13,222,293  | 3           | 13,544,800     | 3           | 13,544,800     | 3           |
| MICHIGAN, East Lansing. | 3,324,200   | 58          | 3,351,400      | 58          | 3,711,400      | 58          |

## STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION

(On basis of adjusted appropriation)

| Location                | Actual 1989 |             | Estimated 1990 |             | Estimated 1991 |             |
|-------------------------|-------------|-------------|----------------|-------------|----------------|-------------|
|                         | Dollars     | Staff-Years | Dollars        | Staff-Years | Dollars        | Staff-Years |
| MINNESOTA               |             |             |                |             |                |             |
| East Grand Forks.....   | 892,046     | 8           | 1,051,500      | 8           | 1,051,500      | 8           |
| Morris.....             | 2,524,135   | 33          | 2,328,900      | 33          | 2,328,900      | 33          |
| St. Paul.....           | 3,626,416   | 41          | 3,443,300      | 41          | 3,623,300      | 41          |
| Total.....              | 7,042,597   | 82          | 6,823,700      | 82          | 7,003,700      | 82          |
| MISSISSIPPI             |             |             |                |             |                |             |
| Mississippi State....   | 6,440,306   | 115         | 6,033,000      | 115         | 6,213,000      | 115         |
| Oxford.....             | 4,449,768   | 64          | 4,423,000      | 64          | 4,423,000      | 64          |
| Poplarville.....        | 631,357     | 12          | 638,400        | 12          | 638,400        | 12          |
| Stoneville.....         | 10,743,400  | 188         | 11,201,600     | 189         | 11,381,600     | 189         |
| Total.....              | 22,264,831  | 379         | 22,296,000     | 380         | 22,656,000     | 380         |
| MISSOURI, Columbia..... | 4,495,422   | 81          | 4,020,300      | 81          | 4,200,300      | 81          |
| MONTANA                 |             |             |                |             |                |             |
| Bozeman.....            | 1,355,360   | 25          | 1,432,700      | 25          | 1,432,700      | 25          |
| Miles City.....         | 1,775,196   | 11          | 1,668,900      | 11          | 1,668,900      | 11          |
| Sidney.....             | 565,576     | 10          | 429,700        | 10          | 429,700        | 10          |
| Total.....              | 3,696,132   | 46          | 3,531,300      | 46          | 3,531,300      | 46          |
| NEBRASKA                |             |             |                |             |                |             |
| Clay Center.....        | 9,074,310   | 59          | 9,657,300      | 59          | 11,074,800     | 59          |
| Lincoln.....            | 3,045,482   | 41          | 2,996,300      | 41          | 2,996,300      | 41          |
| Total.....              | 12,119,792  | 100         | 12,653,600     | 100         | 14,071,100     | 100         |
| NEVADA, Reno.....       | 622,822     | 8           | 608,700        | 8           | 608,700        | 8           |
| NEW JERSEY              |             |             |                |             |                |             |
| Chatsworth.....         | 336,707     | 2           | 500,000        | 2           | 500,000        | 2           |
| NEW MEXICO              |             |             |                |             |                |             |
| Las Cruces.....         | 1,276,802   | 25          | 1,373,900      | 25          | 1,373,900      | 25          |
| NEW YORK                |             |             |                |             |                |             |
| Geneva.....             | 1,351,899   | 9           | 1,111,000      | 9           | 1,111,000      | 9           |
| Ithaca.....             | 3,662,747   | 37          | 3,253,700      | 37          | 3,883,700      | 37          |
| Plum Island.....        | 8,881,896   | 198         | 8,763,800      | 198         | 8,763,800      | 198         |
| Total.....              | 13,896,542  | 244         | 13,128,500     | 244         | 13,758,500     | 244         |
| NORTH CAROLINA          |             |             |                |             |                |             |
| Oxford.....             | 2,307,437   | 33          | 2,224,000      | 33          | 2,224,000      | 33          |
| Raleigh.....            | 4,730,440   | 69          | 4,445,300      | 69          | 4,670,300      | 69          |
| Total.....              | 7,037,877   | 102         | 6,669,300      | 102         | 6,894,300      | 102         |
| NORTH DAKOTA            |             |             |                |             |                |             |
| Fargo.....              | 8,029,193   | 121         | 8,331,900      | 121         | 8,601,900      | 121         |
| Grand Forks.....        | 6,377,052   | 32          | 6,593,200      | 32          | 6,593,200      | 32          |
| Mandan.....             | 2,360,830   | 49          | 2,430,500      | 49          | 2,430,500      | 49          |
| Total.....              | 16,767,075  | 202         | 17,355,600     | 202         | 17,625,600     | 202         |



## STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION

(On basis of adjusted appropriation)

| Location              | Actual 1989 |             | Estimated 1990 |             | Estimated 1991 |             |
|-----------------------|-------------|-------------|----------------|-------------|----------------|-------------|
|                       | Dollars     | Staff-Years | Dollars        | Staff-Years | Dollars        | Staff-Years |
| <b>OHIO</b>           |             |             |                |             |                |             |
| Columbus.....         | 323,162     | 4           | 420,700        | 4           | 420,700        | 4           |
| Coshocton.....        | 989,244     | 16          | 1,015,600      | 16          | 1,015,600      | 16          |
| Delaware.....         | 571,782     | 7           | 315,500        | 4           | 315,500        | 4           |
| Wooster.....          | 1,933,399   | 35          | 2,037,100      | 35          | 2,037,100      | 35          |
| Total.....            | 3,817,587   | 62          | 3,788,900      | 59          | 3,788,900      | 59          |
| <b>OKLAHOMA</b>       |             |             |                |             |                |             |
| Durant.....           | 1,962,829   | 38          | 1,962,800      | 38          | 2,142,800      | 38          |
| El Reno.....          | 1,854,129   | 27          | 1,591,900      | 27          | 1,591,900      | 27          |
| Lane.....             | 1,519,574   | 13          | 1,651,300      | 13          | 1,651,300      | 13          |
| Poteau.....           | 143,507     | 1           | - -            | - -         | - -            | - -         |
| Stillwater.....       | 1,886,760   | 31          | 2,234,300      | 31          | 2,234,300      | 31          |
| Woodward.....         | 1,008,683   | 16          | 960,900        | 16          | 960,900        | 16          |
| Total.....            | 8,375,482   | 126         | 8,401,200      | 125         | 8,581,200      | 125         |
| <b>OREGON</b>         |             |             |                |             |                |             |
| Burns.....            | 330,774     | 3           | 331,100        | 3           | 331,100        | 3           |
| Corvallis.....        | 4,038,270   | 42          | 3,580,500      | 42          | 3,580,500      | 42          |
| Pendleton.....        | 1,104,253   | 21          | 1,058,800      | 21          | 1,058,800      | 21          |
| Total.....            | 5,473,297   | 66          | 4,970,400      | 66          | 4,970,400      | 66          |
| <b>PENNSYLVANIA</b>   |             |             |                |             |                |             |
| University Park.....  | 2,886,731   | 47          | 2,719,800      | 47          | 2,719,800      | 47          |
| Wyndmoor.....         | 16,658,886  | 237         | 17,048,200     | 237         | 17,948,200     | 237         |
| Total.....            | 19,545,617  | 284         | 19,768,000     | 284         | 20,668,000     | 284         |
| <b>SOUTH CAROLINA</b> |             |             |                |             |                |             |
| Charleston.....       | 2,384,878   | 41          | 2,133,300      | 41          | 2,133,300      | 41          |
| Clemson.....          | 1,714,031   | 28          | 1,683,500      | 28          | 1,683,500      | 28          |
| Florence.....         | 1,784,668   | 37          | 1,628,700      | 37          | 1,988,700      | 37          |
| Total.....            | 5,883,577   | 106         | 5,445,500      | 106         | 5,805,500      | 106         |
| <b>SOUTH DAKOTA</b>   |             |             |                |             |                |             |
| Brookings-Madison.... | 1,735,520   | 35          | 1,635,300      | 35          | 1,635,300      | 35          |
| <b>TENNESSEE</b>      |             |             |                |             |                |             |
| Greenville.....       | 48,613      | 1           | - -            | - -         | - -            | - -         |
| Jackson.....          | 158,206     | 2           | 132,900        | 2           | 132,900        | 2           |
| Lewisburg.....        | 142,702     | 2           | 141,800        | 2           | 141,800        | 2           |
| Total.....            | 349,521     | 5           | 274,700        | 4           | 274,700        | 4           |
| <b>TEXAS</b>          |             |             |                |             |                |             |
| Beaumont.....         | 763,112     | 15          | 740,400        | 15          | 740,400        | 15          |
| Brownwood.....        | 549,212     | 11          | 547,300        | 11          | 547,300        | 11          |
| Bushland.....         | 2,194,130   | 46          | 2,119,300      | 46          | 2,119,300      | 46          |
| College Station.....  | 9,472,024   | 162         | 9,436,200      | 162         | 9,976,200      | 162         |
| Houston.....          | 8,334,643   | 2           | 9,631,300      | 2           | 9,631,300      | 2           |
| Kerrville.....        | 2,373,230   | 52          | 2,441,300      | 52          | 2,621,300      | 52          |
| Lubbock.....          | 2,675,515   | 51          | 2,545,600      | 51          | 2,545,600      | 51          |
| Temple.....           | 2,568,258   | 58          | 2,480,000      | 58          | 2,705,000      | 58          |
| Weslaco.....          | 6,139,158   | 109         | 5,795,700      | 109         | 6,065,700      | 109         |
| Total.....            | 35,069,282  | 506         | 35,737,100     | 506         | 36,952,100     | 506         |

## STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION

(On basis of adjusted appropriation)

| Location                | Actual 1989 |             | Estimated 1990 |             | Estimated 1991 |             |
|-------------------------|-------------|-------------|----------------|-------------|----------------|-------------|
|                         | Dollars     | Staff-Years | Dollars        | Staff-Years | Dollars        | Staff-Years |
| UTAH, Logan.....        | 3,234,327   | 54          | 3,516,000      | 54          | 3,741,000      | 54          |
| VIRGINIA                |             |             |                |             |                |             |
| Suffolk .....           | 560,143     | 11          | 482,800        | 11          | 482,800        | 11          |
| WASHINGTON              |             |             |                |             |                |             |
| Prosser.....            | 2,356,062   | 46          | 2,109,000      | 46          | 2,109,000      | 46          |
| Pullman.....            | 6,360,735   | 89          | 5,791,100      | 89          | 5,971,100      | 89          |
| Wenatchee.....          | 1,067,863   | 25          | 1,065,200      | 25          | 1,065,200      | 25          |
| Yakima.....             | 2,400,803   | 53          | 2,443,000      | 53          | 2,623,000      | 53          |
| Total.....              | 12,185,463  | 213         | 11,408,300     | 213         | 11,768,300     | 213         |
| WEST VIRGINIA           |             |             |                |             |                |             |
| Beckley.....            | 2,692,795   | 41          | 2,897,400      | 41          | 2,897,400      | 41          |
| Kearneysville.....      | 3,624,485   | 48          | 3,561,200      | 48          | 3,561,200      | 48          |
| Total.....              | 6,317,280   | 89          | 6,458,600      | 89          | 6,458,600      | 89          |
| WISCONSIN, Madison..... | 4,834,511   | 56          | 4,690,100      | 56          | 4,690,100      | 56          |
| WYOMING                 |             |             |                |             |                |             |
| Cheyenne.....           | 664,217     | 16          | 661,400        | 16          | 661,400        | 16          |
| Laramie.....            | 1,961,366   | 28          | 1,917,000      | 28          | 1,917,000      | 28          |
| Total.....              | 2,625,583   | 44          | 2,578,400      | 44          | 2,578,400      | 44          |
| PUERTO RICO             |             |             |                |             |                |             |
| Mayaguez.....           | 1,907,362   | 48          | 1,927,000      | 48          | 2,084,500      | 48          |
| VIRGIN ISLANDS          |             |             |                |             |                |             |
| St. Croix.....          | 756,747     | 5           | 206,800        | 5           | 364,300        | 5           |
| OTHER COUNTRIES         |             |             |                |             |                |             |
| Argentina,              |             |             |                |             |                |             |
| Buenos Aires.....       | 197,859     | - -         | 147,500        | - -         | 147,500        | - -         |
| France, Behoust.....    | 932,449     | 3           | 801,900        | 3           | 801,900        | 3           |
| Italy, Rome.....        | 692,720     | 1           | 534,800        | 1           | 534,800        | 1           |
| Korea, Seoul.....       | 162,717     | 1           | 148,000        | 1           | 148,000        | 1           |
| Mexico, Tuxtla          |             |             |                |             |                |             |
| Gutierrez.....          | 922,957     | 8           | 885,600        | 8           | 885,600        | 8           |
| Netherlands,            |             |             |                |             |                |             |
| Rotterdam.....          | 342,581     | 1           | 300,400        | 1           | 300,400        | 1           |
| Total.....              | 3,251,283   | 14          | 2,818,200      | 14          | 2,818,200      | 14          |



## STATEMENT OF OBLIGATIONS AND STAFF-YEARS BY LOCATION

(On basis of adjusted appropriation)

| Location                                                | Actual 1989 |             | Estimated 1990 |             | Estimated 1991 |             |
|---------------------------------------------------------|-------------|-------------|----------------|-------------|----------------|-------------|
|                                                         | Dollars     | Staff-Years | Dollars        | Staff-Years | Dollars        | Staff-Years |
| Extramural and Funds Administered from Headquarters.... | 8,301,344   | - -         | 27,860,900     | - -         | 47,479,900     | - -         |
| Contingency Research Fund.....                          | <u>a/</u>   | - -         | 928,500        | - -         | 928,500        | - -         |
| Repair & Maintenance of Facilities.....                 | 20,843,742  | - -         | 24,913,800     | - -         | 17,363,800     | - -         |
| Unobligated Balance....                                 | 1,879,235   | - -         | - -            | - -         | - -            | - -         |
| Subtotal, Available or Estimate.....                    | 563,024,565 | 7,988       | 585,562,700    | 7,988       | 617,701,700    | 7,988       |
| Allotment to Forest Service.....                        | 356,435     | - -         | 360,300        | - -         | 360,300        | - -         |
| Transfer to APHIS.....                                  | - -         | - -         | 223,000        | - -         | - -            | - -         |
| Pro-rata reduction P.L. 99-177.....                     | - -         | - -         | 8,193,000      | - -         | - -            | - -         |
| Pay Costs.....                                          | - -         | - -         | - -            | - -         | 5,448,000      | - -         |
| TOTAL, Appropriation...                                 | 563,381,000 | 7,988       | 594,339,000    | 7,988       | 623,510,000    | 7,988       |

a/ Obligations incurred in 1989 under the Contingency fund in the amount of \$941,500 are reflected in the locations above.



## AGRICULTURAL RESEARCH SERVICE

Buildings and Facilities:

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, [\$10,675,000] \$32,600,000: Provided, That facilities to house Bonsai collections at the National Arboretum may be constructed with funds accepted under the provisions of Public Law 94-129 (20 U.S.C. 195) and the limitation on construction contained in the Act of August 24, 1912 (40 U.S.C. 68) shall not apply to the construction of such facilities: Provided further, That funds recovered in satisfaction of judgment at the Plum Island Animal Disease Center shall be available and augment funds appropriated in a prior fiscal year for construction at Plum Island Animal Disease Center and be used for construction necessary to consolidate research and operations at the Center and for renovation of the Beltsville Agricultural Research Center.

## AGRICULTURAL RESEARCH SERVICE

BUILDINGS AND FACILITIES

|                                 |                    |
|---------------------------------|--------------------|
| Appropriation Act, 1990 .....   | \$10,675,000       |
| Budget Estimate, 1991 .....     | 32,600,000         |
| Increase in appropriation ..... | <u>+21,925,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

| <u>Items of Change</u>                                                                                     | <u>1990<br/>Estimated</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------|---------------------------|
| U.S. Salinity Laboratory,<br>Riverside, California .....                                                   | \$2,000,000               | -\$2,000,000               | --                        |
| National Seed Storage Laboratory,<br>Fort Collins, Colorado .....                                          | 5,500,000                 | -1,500,000                 | \$4,000,000               |
| South Central Agricultural Research<br>Center, Lane, Oklahoma .....                                        | 150,000                   | -150,000                   | --                        |
| U.S. Fruit & Vegetable Laboratory,<br>Yakima, Washington .....                                             | 1,000,000                 | +9,100,000                 | 10,100,000                |
| Northwest Small Fruit Center<br>Washington, Oregon and Idaho .....                                         | 50,000                    | -50,000                    | --                        |
| U. S. Vegetable Laboratory<br>Charleston, South Carolina .....                                             | 1,135,000                 | -1,135,000                 | --                        |
| ARS Bee Laboratory<br>Weslaco, Texas .....                                                                 | 340,000                   | -340,000                   | --                        |
| Plant Stress and Water Conservation<br>Laboratory, Lubbock, Texas .....                                    | 500,000                   | -500,000                   | --                        |
| Modernization of Facilities, ARS<br>Beltsville Agricultural Research<br>Center, Beltsville, Maryland ..... | --                        | +16,000,000                | 16,000,000                |
| Poultry Disease Laboratory, Athens,<br>Georgia .....                                                       | --                        | +2,500,000                 | 2,500,000                 |
| TOTAL, Available .....                                                                                     | <u>10,675,000</u>         | <u>+21,925,000</u>         | <u>32,600,000</u>         |

Project Statement  
(on basis of appropriation)

| Project                            | 1989 Actual |                 | 1990 Estimated |                 | Increase      | 1991 Estimated |                 |
|------------------------------------|-------------|-----------------|----------------|-----------------|---------------|----------------|-----------------|
|                                    | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |               | Amount         | Staff:<br>Years |
| Buildings and<br>Facilities....    | \$7,012,303 | --              | \$10,675,000   | --              | +\$21,925,000 | \$32,600,000   | --              |
| Unobligated<br>Balance.....        | 23,530,573  | --              | --             | --              | --            | --             | --              |
| Total Available:<br>or estimate... | 30,542,876  | --              | 10,675,000     | --              | 21,925,000(1) | 32,600,000     | --              |

## JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$21,925,000 for Buildings and Facilities consisting of:

- (a) A decrease of \$10,675,000 to delete funds contained in the FY 1990 Appropriations Act for planning and construction projects.

Need for Change. Funds for projects contained in the FY 1990 Appropriations Act are available until fully expended and are not required in the FY 1991 Appropriations Act.

- (b) An increase of \$4,000,000 for construction of a new National Seed Storage Laboratory, Fort Collins, Colorado.

Need for Change. Design for a new National Seed Storage Laboratory is nearly complete and construction has been partially funded. The project is large and somewhat complex and cannot be efficiently completed as two separate projects. Federal procurement authorities and regulations do not permit initiation of this project without availability of all funds required to complete the project. The present National Seed Storage Laboratory (NSSL) was constructed in 1957. While the National Plant Germplasm System (NPGS) includes numerous smaller working collections, the NSSL is the most important germplasm repository. It houses the base collection of seed.

As the first facility in the world designated for the long-term preservation of plant germplasm, the planners had little experience to draw upon. A facility that was planned to accommodate 50 years of growth in acquisition of germplasm stocks will soon be entirely filled. Also, in 1957, it was believed that a storage environment of 40 degrees Fahrenheit and 40-50 percent relative humidity would assure the seed viability for 50 or more years. From experience and research, we now know more precise temperature and humidity conditions are required.

By the end of the 1950's, biologists were beginning to recognize that valuable crop germplasm was being lost because of man's activities. For this endangered germplasm to be available to future generations, its collection and preservation had to be accelerated. Collection was accelerated and is far from being finished for most of our food, fiber, and forage crops. There are now about 210,000 seed samples (accessions) in the NSSL. Plans now being developed for further acceleration of collection of endangered germplasm, especially of wheat, corn, soybeans, and forage crops, will dictate the need for expanded storage facilities.

Nature of Change. Construction will include the expansion and renovation of the present NSSL facility at Fort Collins, Colorado. The proposed increase of \$4,000,000 is needed to initiate and complete construction of this facility. To date, Congress has provided \$1 million for planning and \$8,250,000 for construction of this project. The feasibility of initiating construction, before full funding has been provided, is not cost-effective. No construction can be started until the entire package is fully funded.



- (c) An increase of \$16,000,000 for modernization of facilities at the Beltsville Agricultural Research Center, Beltsville, Maryland.

Need for Change. The Beltsville Agricultural Research Center (BARC) was established in 1910. Current land resources total 7,000 acres and accommodate more than 800 buildings and structures in support of the full spectrum of ARS research programs; natural resources, plant science, animal science, product quality, and human nutrition. The ARS staff totals about 1,500 including 440 scientists.

BARC is the largest research center in ARS and in fact is regarded as the largest agricultural research center in the world, in terms of program scope and concentration of scientists. BARC has long enjoyed a worldwide image of preeminence in the agricultural sciences because of its history of research quality, contributions to agriculture, prominent scientists, and site of ARS' national leadership. In addition to ARS, 18 other Federal and State agencies are co-located on or immediately adjacent to BARC.

Most of the major ARS facilities and utility support systems at BARC were constructed in the 1930's and 1940's. Acute deterioration and obsolescence of these 50-year old facilities are severely hampering the quality of science and the image of BARC as the preeminent agricultural research center.

A BARC modernization initiative -- called Renaissance 93 -- was launched in 1985. This initiative highlighted the need for major modernization of BARC. Currently underway at BARC is a consultant study to develop an overall master plan and cost estimate for the facility modernization work remaining. In addition to BARC proper, the modernization concept also applies to the U.S. National Arboretum which is organizationally a part of the Beltsville Area of ARS. The study will be final in March 1990 but certain recommendations have been clearly identified:

- o top priority should be given to upgrading/replacing infrastructure sewer, water, power, steam, roads;
- o some new or replacement facility construction will be more cost effective than repair/renovation/refurbishing of old, existing buildings alone;
- o some BARC research programs and organizational units need to be clustered in new configurations;
- o BARC needs centralized services and facilities such as biological containment, conference center, food service, analytical instrumentation, animal rooms, incinerators, photographic services, etc.;
- o BARC needs one or more major new facilities to accommodate effective program clustering, modernization sequencing, and centralized services;
- o BARC security systems are totally inadequate, in some cases nonexistent. It is essential that improved security capabilities be incorporated into modernization plans;
- o BARC greenhouses and growth chambers are more than adequate in terms of available space but far below state-of-the-art in environmental controls and energy/cost effectiveness. A near total renovation or replacement is needed.

The findings identified above and other recommendations are already shaping FY 1990 and FY 1991 planning, primarily with regard to a redirection of some modernization resources from lesser priority projects to the infrastructure. Also, a major policy impact from the early findings is the necessity to look upon BARC modernization as requiring a mix of new and renovation construction. This is a major factor in requiring appropriation of funds through the buildings and facilities account.

Nature of Change. In FY 1990, funding for the modernization of the Beltsville Agricultural Research Center (BARC) in the amount of \$7,550,000 was appropriated under the ARS Salaries and Expenses appropriation. The FY 1991 Budget requests a decrease of \$7,550,000 in the Salaries and Expenses appropriation and a concurrent increase of \$16,000,000 under the Buildings and Facilities appropriation. These actions will provide the necessary authority for effective management and implementation of BARC construction, repair, renovation and modernization needs.

In FY 1991 the requested increase of \$16 million will be used to finance the following building renovations, new construction and utility facilities upgrade. More specifically, the following projects will be undertaken with the proposed increase:

**Major High-Priority Initiatives:**

o Study and design of new Plant Science Laboratory, BARC-West.

Funds will be implemented for study and design of a new Plant Science Facility at BARC-West. This facility will bring together 55 scientists in a united cluster to advance high priority plant research. Currently these scientists are housed in antiquated facilities (Buildings 1 and 4 and in headhouses located in Range 1 and 2 -- Buildings 9, 10, and 11). The laboratories are not functional given their present conditions. Modern facilities are needed in order to advance high priority research: develop improved pest resistant, high quality germplasm and varieties of major vegetables and fruit crops; reduce costs of soybean production and improve quality of soybean products; solve problems of plant growth and flowering, genetic improvement; and the production and maintenance of pathogen- and pest-free plants; develop efficient and cost effective means of biocontrol of plant diseases; and solve agricultural problems arising from plant diseases from lack of efficient associations between plants and beneficial microbes. These programs which are widely dispersed in different buildings will be brought together in a new facility consisting of 68,000 square feet of modern laboratory space.

o Modernization of Range 2 Greenhouses.

Range 2 of the greenhouse complex at Beltsville is over 45 years old. It is used to support a wide range of research programs, including the development of new florist and nursery crops to make American producers more competitive with foreign imports into the U.S. markets; to find new methods for developing disease resistant plants, especially horticultural crops such as tomatoes, beans, and small fruit; and for breeding plants with improved nutritional quality and longer storage life. Most of the existing greenhouses have outlived their normal useful life expectancy, are inefficient and costly to heat, and in constant need of repair. These greenhouses must be systematically modernized to reduce operating costs and provide the proper environment for containment along with more modern temperature and humidity control systems.

The modernization plan for Range 2 will be carried out in four phases. Phase 1 construction is planned for 1991. Additional phases are projected for 1992, 1993, and 1994 with construction to be completed by the end of 1995.

o Design for new Integrated Swine Facility.

Currently swine research facilities are dispersed over three separate locations at Beltsville. These facilities are 50-60 years old and antiquated beyond consideration for total rehabilitation. To improve labor efficiency, enhance security, and improve the reliability of the research findings, it is essential to consolidate and modernize the swine research facilities at Beltsville. A single, centralized complex is envisioned that would support research on swine nutrition, reproductive physiology, parasitic diseases, and improved meat quality, especially consumer products with less fat and a higher proportion of lean tissues. The complex would be a general purpose structure for housing gestating animals and growing swine, an animal surgery area, and an intensive animal monitoring/metabolism area equipped with environmentally controlled rooms and respiration calorimeters. The facility would be approximately 50,000 square feet in size.

Other High Priority Needs:

- o BARC waste water treatment facilities--two plants (one design; one construction).
- o Modernization of BARC electrical distribution system (construction).
- o Modernization of Building 001--laboratory/offices (design).
- o Repair of service building 029 (design/construction).
- o Replacement of HVAC system--Building 050 (construction).
- o Repairs to poultry house HVAC (design/construction).
- o Annual painting and roof repairs to BARC facilities.
- o Granary improvements (design/construction).
- o Central collections facility (study).
- o Rebuild free stall barn (study/design).
- o Demolition of old, unused facilities.
- o Repair and maintenance of miscellaneous BARC projects.

The proposed projects are consistent with the recommendations of the study and overall research program priorities.

(d) An increase of \$10,100,000 for construction of the Yakima Agricultural Research and Vegetable Laboratory, Yakima, Washington.

Need for Change. The Yakima Agricultural Research Laboratory conducts research on the biology, ecology, and control of insect and mite pests of deciduous fruits, vegetables, and field crops. The current laboratory facilities are leased and are located on approximately 9 acres of land within the city limits of Yakima. Urban development has encroached to the point that it is extremely difficult to conduct normal research activities. In addition, there has been a need to provide temporary ARS buildings and research facilities and 37 separate buildings now occupy the 9-acre site. There is inadequate space for orchards and research plots. There is a pressing need to relocate this research laboratory as the present lease expires in 1991 and there is no assurance that the lease will be extended.



To date, Congress has provided \$1 million for planning and design of a new research facility at Yakima and \$1.9 million for construction. ARS representatives have worked closely with industry representatives to find a suitable site for the proposed new facility. The industry site committee has now located a 55-acre site outside the city limits and they have taken an option on the land. The industry plans to buy the land, lease it to ARS until the cost of purchase is recovered, and then deed it to the Department.

The A-E contract award will be made during the second quarter of FY 1990. Design is scheduled to be complete the second quarter of FY 1991.

Nature of Change. The proposed increase of \$10,100,000 is needed to initiate and complete construction of this facility. No construction can begin until the entire package is fully funded. The new facility, when completed, will provide approximately 50,000 square feet of laboratory space and 18,000 square feet of greenhouses.

- (e) An increase of \$2,500,000 for planning, design, and construction of a Poultry Disease Laboratory, Athens, Georgia.

Need for Change. The Southeast Poultry Laboratory houses the USDA's primary effort for research on avian disease problems associated with pathogens of foreign origin. The Athens laboratory researches critical poultry disease problems of national concern: salmonellosis in poultry; prevention and control of newcastle disease in commercial poultry; development of diagnostic tests for avian influenza and exotic newcastle disease; molecular biology and control of avian influenza; etc.

New demands have been placed on USDA research facilities at the Southeast Poultry Research Laboratory since the avian influenza outbreak which occurred in 1983 and 1984 in Pennsylvania, Virginia, and Maryland. The addition of this facility will provide high containment needs to house research on highly lethal avian influenza.

This new facility will provide both immediate and future long-range needs to allow ARS scientists to address the urgent problems in highly contagious and lethal avian influenza and exotic newcastle disease research. This facility will support the research needs of action agencies (APHIS and FSIS) and the poultry industry. The facility is of national priority and interest because research on these two exotic avian diseases is restricted to only the highest animal containment laboratories.

The increase will provide for an additional animal laboratory wing designed primarily to house infected poultry as well as the necessary support laboratories to carry out essential research on avian influenza, concurrent with exotic newcastle disease research efforts in the present containment space. This facility will provide for a more complete program of poultry research to solve these exotic diseases.

Nature of Change. The new facility will provide approximately 10,000 square feet and will contain animal holding and laboratory spaces designed to safely contain the most hazardous of poultry pathogens.

The proposed addition represents the most cost-effective and program-effective means to carry out a vital, national poultry disease research mission. Estimated cost of construction is \$2.5 million. The poultry industry supports the high priority of this new facility and has pledged substantial funding towards the structure.

Agricultural Research Service  
Status of Construction Projects as of December 1989

Status of research facilities authorized or funded in prior years and reported as uncompleted in the 1990 Explanatory Notes, is as follows:

NOTE: Design criteria, provided by ARS, specifies the program requirements for the facility and forms the basis for negotiation of architect-engineer contracts. Diagrammatic drawings or concept drawings provide the basis for the first review of the architect's design. Tentative drawings or architect's design are provided by the architect for firming up cost estimates and basis for developing the completed, and final working drawings.

| <u>Location and Purpose</u>                                                                                             | <u>Year</u>                                                   | <u>Amount of<br/>Funds Provided</u>              | <u>Description</u>                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>California, Albany</u><br>Plant Gene Expression<br>Center, Greenhouse                                                | 1989 Construction                                             | \$700,000                                        | Design was completed the third quarter of FY 1989. Award of a construction contract was made the fourth quarter FY 1989 and will be completed the first quarter of FY 1991.                                                                                                                                       |
| <u>California, Riverside</u><br>U.S. Salinity Laboratory                                                                | 1987 Plans<br>1989 Construction<br>1990 Construction<br>Total | 1,000,000<br>900,000<br>2,000,000<br>3,900,000   | A contract for design was awarded the third quarter of FY 1988 and will be completed the second quarter of FY 1990. No construction can be started until the design is complete and the total construction has been funded.                                                                                       |
| <u>Colorado, Ft. Collins</u><br>National Seed Storage<br>Laboratory                                                     | 1988 Plans<br>1989 Construction<br>1990 Construction<br>Total | 1,000,000<br>2,750,000<br>5,500,000<br>9,250,000 | A contract for design was awarded the first quarter of FY 1989 and will be completed the second quarter of FY 1990. The project is being designed in accordance with a need for \$12.3 million construction budget. No construction can be started until the design is complete and construction has been funded. |
| <u>District of Columbia</u><br>U.S. National Arboretum,<br>Brickyard Upgrade and<br>New York Avenue entrance<br>upgrade | 1989 Reprogrammed<br>for Design and<br>Construction           | 2,000,000 (a)                                    | Design will begin in the first quarter of FY 1990 and will be completed in the third quarter of FY 1990. Construction will be awarded in the fourth quarter of FY 1990 and will be completed in the fourth quarter of FY 1991.                                                                                    |
| <u>Idaho, Oregon and<br/>Washington</u><br>Northwest Small<br>Fruit Center                                              | 1990 Feasibility Study                                        | 50,000                                           | ARS will conduct a feasibility study for construction of a facility for small fruit research. The report will be available by the close of fiscal year 1990.                                                                                                                                                      |



Status of Construction Projects as of December 1989 (con't.)

| <u>Location and Purpose</u>                                                                                                                                  | <u>Year</u>                                           | <u>Amount of<br/>Funds Provided</u> | <u>Description</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Iowa, Ames<br>National Soil Tillth<br>Center                                                                                                                 | 1984 Plans                                            | 800,000                             | Construction was awarded in the first quarter of FY 1987 and completed in the second quarter of FY 1989. A second phase of work for a rhizotron requirement within the existing facility is scheduled to be awarded in the third quarter of FY 1990 and completed in the second quarter of FY 1991.                                                                                                                                                                  |
|                                                                                                                                                              | 1985 Construction                                     | 11,100,000                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                              | Total                                                 | <u>11,900,000</u>                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Maryland, Beltsville<br>Building 007 (\$2 Million)<br>General Upgrading of<br>Facilities (\$2.6 Million)<br>Clean and Reline Water<br>Lines (\$1.15 Million) | 1988 Plans and<br>Construction                        | 5,750,000                           | The Building 007 construction contract was awarded during the fourth quarter of FY 1988. The general upgrading of facilities line item has been allocated to design or construction contracts for Buildings 003, 204, 264, 303, 306, 307, 476, and a small animal facility. A design contract for the cleaning and relining of water lines was awarded the fourth quarter of FY 1989 and is scheduled for construction contract award the fourth quarter of FY 1990. |
|                                                                                                                                                              |                                                       |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                              |                                                       |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Animal Research Bldg.<br>for Human Nutrition                                                                                                                 | 1989 Recovered<br>Funds                               | 825,938 (a)                         | Design contract awarded the second quarter of FY 1989 and will be completed the first quarter of FY 1990. Contract for construction is scheduled for award the second quarter of FY 1990.                                                                                                                                                                                                                                                                            |
|                                                                                                                                                              |                                                       |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Nebraska, Clay Center<br>Animal Health System<br>Research Laboratory                                                                                         | 1986 Reprogrammed<br>for Planning<br>and Construction | 4,000,000                           | An A-E design contract was awarded the first quarter of FY 1987 and completed during the second quarter of FY 1988. Construction of the facility started the fourth quarter of FY 1988 and is scheduled for completion during the first quarter of FY 1990. FY 1989 Reprogrammed funds were used to purchase both fixed and movable equipment.                                                                                                                       |
|                                                                                                                                                              | 1989 Reprogrammed<br>Total                            | +820,200                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                                                                                                              |                                                       | <u>4,820,200</u>                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

Status of Construction Projects as of December 1989 (con't.)

| <u>Location and Purpose</u>                                                 | <u>Year</u>                 | <u>Amount of<br/>Funds Provided</u> | <u>Description</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------|-----------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nebraska, Lincoln<br>Old West Regional<br>College of Veterinary<br>Medicine | 1983 Plans                  | 827,000                             | Funds originally authorized for the establishment of the Old West Regional College of Veterinary Medicine have been reprogrammed. Funds in the amount of \$4,000,000 were reprogrammed for construction and equipping of a facility for advanced studies in food animal medicine at Clay Center, Nebraska. A total of \$7,000,000 was allocated to the Cooperative State Research Service in FY 1986. An additional \$250,000 was allocated to CSRS in FY 1988. The balance of available funds will be used for the Meat Animal Research Animal Center in Clay Center, with approximately one-half of the funds to be used for equipment for the herd health system and the other one-half to be used for equipment for the meat safety assurance program. |
|                                                                             | 1984 Construction           | 12,050,000                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1986 Reprogrammed           | -4,000,000                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1986 Transferred<br>to CSRS | -7,000,000                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1988 Transferred<br>to CSRS | -250,000                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1989 Reprogrammed<br>Total  | -820,200<br><u>806,800</u>          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| New York, Plum Island<br>Plum Island Animal<br>Disease Center               | 1973 Plan                   | 250,000                             | Pre-design to consolidate all laboratory facilities and evaluate the use of the existing vaccine research laboratory structure for joint Agricultural Research Service and Animal and Plant Health Inspection Service is scheduled to be completed the first quarter of FY 1990.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                             | 1976 Construction           | 10,000,000                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1977 Redirection (b)        | 294,000                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1977 Redirection (c)        | 700,000                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1978 Redirection (d)        | 900,000                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1981 Construction<br>Total  | 10,100,000<br><u>22,244,000</u>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | 1989 Recovered<br>Funds     | 8,828,273 (a)                       | These funds are to be used for consolidation of facilities at Plum Island.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Oklahoma, Lane<br>South Central<br>Agricultural Research<br>Center          | 1989 Plans                  | 140,000                             | The award of a contract for design of Phase III is scheduled for the second quarter of FY 1990 and should be completed the first quarter of FY 1991.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                             | 1990 Plans                  | 150,000                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                             | Total                       | <u>290,000</u>                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Phase III Construction                                                      |                             |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

Status of Construction Projects as of December 1989 (con't.)

| <u>Location and Purpose</u>                                                                        | <u>Year</u>                                                                  | <u>Amount of<br/>Funds Provided</u>                              | <u>Description</u>                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>South Carolina, Charleston</u><br><u>U.S. Vegetable</u><br><u>Laboratory</u>                    | 1988 Feasibility<br>1990 Plan &<br>Construction<br>Total                     | 50,000<br><u>1,135,000</u><br>1,185,000                          | Contract for the pre-design was awarded the second quarter of FY 1989 and was completed in the fourth quarter of FY 1989. No design or construction can be started until the project is fully funded.                                         |
| <u>Texas, Houston</u><br><u>Children's Nutrition</u><br><u>Research Center</u>                     | 1984 Plans<br>1984 Construction<br>Total                                     | 5,500,000<br><u>49,000,000</u><br>54,500,000                     | Construction for the superstructure was awarded in the fourth quarter of FY 1986. All work is scheduled for completion in the second quarter of FY 1990                                                                                       |
| <u>Texas, Lubbock</u><br><u>Plant Stress and Water</u><br><u>Conservation</u><br><u>Laboratory</u> | 1978 Feasibility<br>Study<br>1979 Plans<br>1984 Plans<br>1990 Plans<br>Total | 100,000<br><br>800,000<br>500,000<br>500,000<br><u>1,900,000</u> | The project is on hold since a lease agreement for the site has not been finalized and full construction funding is not available. In the interim, a greenhouse\greenhouse is being designed and construction funds are committed in FY 1990. |
| <u>Texas, Weslaco</u><br><u>ARS Bee Laboratory</u>                                                 | 1990 Plans                                                                   | 340,000                                                          | Design contract will be awarded in the fourth quarter of FY 1990 and completed the fourth quarter FY 1991.                                                                                                                                    |
| <u>Washington, Yakima</u><br><u>U.S. Fruit and</u><br><u>Vegetable Laboratory</u>                  | 1988 Plans<br>1989 Construction<br>1990 Construction<br>Total                | 1,000,000<br>900,000<br><u>1,000,000</u><br>2,900,000            | A-E contract award will be made the second quarter of FY 1990. Design is scheduled for completion the second quarter of FY 1991. No construction work can be started until the design is complete and the total construction has been funded. |

Status of Construction Projects as of December 1989 (con't.)

Footnotes:

- (a) The ARS has to date recovered \$11,654,211 in satisfaction of judgment from prior year obligations and contract default settlement for the Planning and Construction of the Animal Diagnostic Center and the Animals Holding Wing at Plum Island, New York. The recovered funds are redirected as follows:

|                               |                                                                                            |                          |
|-------------------------------|--------------------------------------------------------------------------------------------|--------------------------|
| Greenport,<br>Long Island, NY | Consolidation of Facilities at<br>Plum Island, NY, Animal Disease Center                   | \$8,828,273              |
| Washington, D.C.              | Construction project at the National Arboretum<br>entrance at the New York Avenue corridor | 2,000,000                |
| Beltsville, MD                | Beltsville Agricultural Research Center                                                    | <u>825,938</u>           |
| Total .....                   |                                                                                            | <u><u>11,654,211</u></u> |

- (b) \$194,000 was redirected from the air pollution abatement and sewage treatment project to provide funds for pollution abatement facilities in the animal and laboratory project as originally planned. An additional \$100,000 has been redirected into the animal and laboratory projects from program funding.

- (c) Due to cost escalation and to provide funds to complete facilities as originally planned and designed at the Plum Island animal and laboratory project, funds in the amount of \$700,000 were redirected from Kearneysville, West Virginia, to PIADC.

- (d) Program funds in the amount of \$900,000 were reprogrammed to fund additional costs for this project.

## AGRICULTURAL RESEARCH SERVICE

Passenger Motor Vehicles

The 1991 Budget Estimate does not include the purchase of additional passenger motor vehicles above the 472 passenger motor vehicles presently owned.

The passenger motor vehicles of Agricultural Research Service (ARS) are used almost exclusively by professional research investigators and technical consultants. In the course of their daily work these personnel may need to travel to individual farms, ranches, commercial firms, State agricultural experiment stations, etc. In this type of work a high degree of mobility is required. Use of common carriers is seldom feasible.

It is the policy of ARS to pool the use of motor vehicles for different activities in order to keep the number of vehicles to a minimum and reduce overall costs of maintenance. Monthly vehicle operation reports are required and periodic surveys are made to determine the extent to which vehicles are being used and their condition.

Replacement of passenger motor vehicles.

It is proposed to replace 46 of 472 vehicles currently in operation. These vehicles are located at field stations and are used in connection with research studies and technical assistance. Vehicle replacement is based on funding priority, program management, mileage, and age eligibility.

Age and Mileage Data for passenger-carrying vehicles on hand as of September 30, 1989.

| <u>Age-Year Model</u> | <u>Number of Vehicles*</u> | <u>Percent of Total</u> | <u>Lifetime Mileage</u><br>(thousands) | <u>Number of Vehicles*</u> | <u>Percent of Total</u> |
|-----------------------|----------------------------|-------------------------|----------------------------------------|----------------------------|-------------------------|
| 1984-older            | 338                        | 72                      |                                        |                            |                         |
| 1985                  | 29                         | 6                       | 80-over                                | 64                         | 14                      |
| 1986                  | 40                         | 8                       | 60-80                                  | 92                         | 20                      |
| 1987                  | 23                         | 5                       | 40-60                                  | 125                        | 26                      |
| 1988                  | 19                         | 4                       | 20-40                                  | 106                        | 22                      |
| 1989                  | <u>23</u>                  | <u>5</u>                | Under 20                               | <u>85</u>                  | <u>18</u>               |
| Total                 | <u>472</u>                 | <u>100</u>              |                                        | <u>472</u>                 | <u>100</u>              |

\*Includes six vehicles used in foreign countries and six buses.

Aircraft

The Agency currently maintains a fleet of seven aircraft, located at College Station, Texas, and Weslaco, Texas. These specially modified and equipped research aircraft are used in the development of pest control methods, application of agricultural materials, radar tracking of airborne insect migration, infrared and color photography, and evaluating effects of weather on agriculture.





## COOPERATIVE STATE RESEARCH SERVICE

Purpose Statement

Cooperative State Research Service is the U.S. Department of Agriculture's principal entree to the university system of the United States for the purpose of conducting agricultural research as authorized by the Hatch Act of 1887, as amended (7 U.S.C. 361a-361i); the Cooperative Forestry Research Act of 1962, as amended (16 U.S.C. 582a-7); Public Law 89-106, Section (2), as amended (7 U.S.C. 450i); and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101 et seq.). Through these authorities, the U.S. Department of Agriculture participates with State and other sources of funding to encourage and assist the State institutions in the conduct of agricultural research through the State Agricultural Experiment Stations of the 50 States and the territories; by approved Schools of Forestry; the 1890 Land-Grant Institutions and Tuskegee University; Colleges of Veterinary Medicine; and other eligible institutions.

Cooperative State Research Service participates in a nationwide system of agricultural research program planning and coordination among the State institutions, U.S. Department of Agriculture and the agricultural industry of America. Program coordination and planning are carried out by a Cooperative State Research Service staff located entirely in the Washington, D.C. area. This headquarters unit serves more than 12,000 scientists in the university system of the United States. As of September 30, 1989, there were 158 full-time employees and 13 other than full-time employees.

## COOPERATIVE STATE RESEARCH SERVICE

## Available Funds and Staff-Years

1989 Actual and Estimated, 1990 and 1991

| Item                                   | 1989        |        | 1990        |        | 1991        |        |
|----------------------------------------|-------------|--------|-------------|--------|-------------|--------|
|                                        | Actual      | Staff: | Estimated   | Staff: | Estimated   | Staff: |
|                                        | Amount      | Years  | Amount      | Years  | Amount      | Years  |
| Direct Appropriation:                  |             |        |             |        |             |        |
| Cooperative State Research Service ... | 340,917,000 | 157    | 340,478,000 | 155    | 349,743,000 | 183    |
| Buildings and Facilities .....         | - -         | - -    | 45,108,000  | 10     | - -         | - -    |
| Total, Direct Appropriation .....      | 340,917,000 | 157    | 385,586,000 | 165    | 349,743,000 | 183    |
| Obligations under other USDA           |             |        |             |        |             |        |
| appropriations:                        |             |        |             |        |             |        |
| Agricultural Marketing Service, 1890 : |             |        |             |        |             |        |
| Scholarships .....                     | 6,000       | - -    | - -         | - -    | - -         | - -    |
| Agricultural Research Service:         |             |        |             |        |             |        |
| Air Contaminant Symposium .....        | 1,000       | - -    | - -         | - -    | - -         | - -    |
| Biotechnology Exhibit .....            | 2,928       | - -    | - -         | - -    | - -         | - -    |
| Evaluation Studies .....               | 300,258     | - -    | 400,000     | - -    | 400,000     | - -    |
| Fallen Leaf Conference .....           | 2,000       | - -    | - -         | - -    | - -         | - -    |
| Groundwater Quality Conference .....   | 10,000      | - -    | - -         | - -    | - -         | - -    |
| Science and Education Programs .....   | 250,000     | - -    | 304,693     | - -    | 304,693     | - -    |
| Office of Small Scale Agriculture ..   | 75,157      | 1      | 80,925      | 1      | 80,925      | 1      |
| Office of Special Projects and         |             |        |             |        |             |        |
| Program Systems .....                  | 20,997      | 1      | 22,439      | 1      | 22,439      | 1      |
| Soil Erosion Workshop .....            | 2,000       | - -    | - -         | - -    | - -         | - -    |
| UV-B Workshop .....                    | 5,000       | - -    | - -         | - -    | - -         | - -    |
| Animal and Plant Health Inspection     |             |        |             |        |             |        |
| Service:                               |             |        |             |        |             |        |
| 1890 Grantsmanship Workshop .....      | 3,500       | - -    | - -         | - -    | - -         | - -    |
| Biotechnology Exhibit .....            | 2,928       | - -    | - -         | - -    | - -         | - -    |
| Leafy Spurge Research .....            | 77,112      | - -    | 48,600      | - -    | 48,600      | - -    |
| Extension Service:                     |             |        |             |        |             |        |
| Aquaculture Education Project .....    | - -         | - -    | 5,000       | - -    | - -         | - -    |
| Biotechnology Exhibit .....            | 2,928       | - -    | - -         | - -    | - -         | - -    |
| Science and Education Programs .....   | 50,000      | - -    | 188,652     | - -    | 188,652     | - -    |
| Office of Special Projects and         |             |        |             |        |             |        |
| Program Systems.....                   | 20,997      | - -    | 22,439      | - -    | 22,439      | - -    |
| Food Science and Inspection Service:   |             |        |             |        |             |        |
| Biotechnology Workshop .....           | 16,200      | - -    | - -         | - -    | - -         | - -    |
| Calf Antibiotic Testing Project .....  | 27,000      | - -    | 54,000      | - -    | 50,000      | - -    |
| Meat and Poultry Research .....        | 37,800      | - -    | - -         | - -    | - -         | - -    |
| Salmonella Contamination Research ..   | 54,000      | - -    | - -         | - -    | - -         | - -    |
| Veterinary Products Info. System ..    | - -         | - -    | 60,000      | - -    | 60,000      | - -    |
| Foreign Agricultural Service,          |             |        |             |        |             |        |
| International Trade Pilot Project ..   | 83,095      | - -    | 83,095      | - -    | - -         | - -    |
| National Agricultural Library,         |             |        |             |        |             |        |
| Science and Education Programs         | 5,325       | - -    | 7,465       | - -    | 7,465       | - -    |
| Information Services .....             | - -         | - -    | 3,000       | - -    | 3,000       | - -    |
| Office of International Cooperation    |             |        |             |        |             |        |
| and Development, 1890 Grantsmanship    |             |        |             |        |             |        |
| Workshop .....                         | 1,100       | - -    | - -         | - -    | - -         | - -    |
| Rural Electrification Administration,  |             |        |             |        |             |        |
| Office of Agricultural Biotechnology:  | 5,000       | - -    | - -         | - -    | - -         | - -    |
| Soil Conservation Service:             |             |        |             |        |             |        |
| Aquaculture Education Project .....    | 25,000      | - -    | - -         | - -    | - -         | - -    |
| Soil Erosion Workshop .....            | 8,000       | - -    | - -         | - -    | - -         | - -    |
| Various agencies sharing cost of       |             |        |             |        |             |        |
| USDA Small Business Innovation         |             |        |             |        |             |        |
| Research Program (SBIR) .....          | 279,150     | - -    | 275,303     | - -    | 275,088     | - -    |

|                                                                                               | : 1989      | : 1990               | : 1991                        |
|-----------------------------------------------------------------------------------------------|-------------|----------------------|-------------------------------|
|                                                                                               | : Actual    | : Estimated          | : Estimated                   |
| Item                                                                                          | : Amount    | : Staff:<br>: Years: | : Amount : Staff:<br>: Years: |
| Various research agencies sharing cost of Current Research Information System (CRIS) .....    | 721,500     | 8                    | 721,500 : 8                   |
| Miscellaneous Reimbursements .....                                                            | - -         | - -                  | 449,609 : - -                 |
| Total, Other USDA Appropriations....                                                          | 2,095,975   | 10                   | 2,726,720 : 10                |
| Total Agriculture Appropriations....                                                          | 343,012,975 | 167                  | 388,312,720 : 175             |
| Other Federal Funds:                                                                          |             |                      |                               |
| AID-PASA, Nitrogen fixation .....                                                             | 242,064     | - -                  | - -                           |
| AID-PASA, International Research Centers .....                                                | 484,127     | - -                  | 484,127                       |
| Appalachian Regional Commission, Aquaculture Education Project .....                          | 50,000      | - -                  | - -                           |
| Forest Service:                                                                               |             |                      |                               |
| 1890 Grantsmanship Workshop .....                                                             | 2,000       | - -                  | - -                           |
| Atmospheric deposition .....                                                                  | 78,972      | - -                  | 104,684                       |
| Biotechnology Exhibit .....                                                                   | 1,000       | - -                  | - -                           |
| UV-B Workshop .....                                                                           | 5,000       | - -                  | - -                           |
| Department of Commerce, NOAA, Atmospheric deposition .....                                    | 75,192      | - -                  | 72,240                        |
| Department of Defense:                                                                        |             |                      |                               |
| Effects of Aircraft Noise on Animals: Computerized Environmental Resources: Data System ..... | 200,000     | - -                  | 200,000                       |
| Guayule .....                                                                                 | 240,000     | - -                  | 300,000                       |
| Guayule .....                                                                                 | 766,560     | - -                  | - -                           |
| Department of Interior:                                                                       |             |                      |                               |
| Bureau of Land Management, Atmospheric deposition .....                                       | 81,360      | - -                  | 81,296                        |
| Geological Survey, Atmospheric deposition .....                                               | 488,535     | - -                  | 481,257                       |
| National Park Service, Atmospheric deposition .....                                           | 38,893      | - -                  | 23,000                        |
| Environmental Protection Agency, Atmospheric deposition .....                                 | 57,424      | - -                  | 26,676                        |
| Food and Drug Administration, Veterinary Products Info. System ..                             | 18,000      | - -                  | 45,000                        |
| National Institutes of Health, Air Contaminant Symposium .....                                | 5,000       | - -                  | - -                           |
| Tennessee Valley Authority, Atmospheric deposition .....                                      | 15,808      | - -                  | 15,808                        |
| Total, Other Federal Funds.....                                                               | 2,849,935   | - -                  | 1,773,280 : - -               |
| Total, Cooperative State Research Service.....                                                | 345,862,910 | 167                  | 390,086,000 : 175             |

|                                   | 1989<br>Actual | 1990<br>Estimated | 1991<br>Estimated |
|-----------------------------------|----------------|-------------------|-------------------|
| Full-Time Equivalent Staff-Years: |                |                   |                   |
| Ceiling.....                      | 167            | 175               | 193               |
| Non-ceiling.....                  | 3              | 3                 | 3                 |
| Total.....                        | 170            | 178               | 196               |

## COOPERATIVE STATE RESEARCH SERVICE

## Permanent Positions by Grade and Staff-Year Summary

1989 and Estimated 1990 and 1991

| Grade                           | : 1989         | : : | 1990         | : : | 1991         |
|---------------------------------|----------------|-----|--------------|-----|--------------|
|                                 | : Headquarters | : : | Headquarters | : : | Headquarters |
| ES-6                            | : 1            | : : | 1            | : : | 1            |
| ES-5                            | : 2            | : : | 2            | : : | 2            |
| ES-4                            | : 1            | : : | 1            | : : | 1            |
| ES-3                            | : 1            | : : | 1            | : : | 1            |
| GS-16                           | : 1            | : : | 1            | : : | 1            |
| GS/GM-15                        | : 26           | : : | 34           | : : | 34           |
| GS/GM-14                        | : 13           | : : | 15           | : : | 19           |
| GS/GM-13                        | : 8            | : : | 13           | : : | 13           |
| GS-12                           | : 14           | : : | 14           | : : | 14           |
| GS-11                           | : 5            | : : | 5            | : : | 9            |
| GS-9                            | : 12           | : : | 15           | : : | 20           |
| GS-8                            | : 4            | : : | 5            | : : | 5            |
| GS-7                            | : 22           | : : | 24           | : : | 25           |
| GS-6                            | : 25           | : : | 25           | : : | 25           |
| GS-5                            | : 7            | : : | 8            | : : | 12           |
| GS-4                            | : 11           | : : | 11           | : : | 11           |
| GS-3                            | : 1            | : : | 1            | : : | 1            |
| GS-2                            | : 4            | : : | 4            | : : | 4            |
| Total Permanent Positions ..... | : 158          | : : | 180          | : : | 198          |
| Staff Years:                    | : :            | : : | : :          | : : | : :          |
| Ceiling .....                   | : 167          | : : | 175          | : : | 193          |
| Non-ceiling ...                 | : 3            | : : | 3            | : : | 3            |
| Total .....                     | : 170          | : : | 178          | : : | 196          |



## COOPERATIVE STATE RESEARCH SERVICE

## CLASSIFICATION BY OBJECTS

1989 and Estimated 1990 and 1991

|                                                        | 1989        | 1990        | 1991        |
|--------------------------------------------------------|-------------|-------------|-------------|
| <b>Personnel Compensation:</b>                         |             |             |             |
| Headquarters .....                                     | \$5,351,476 | \$5,834,000 | \$6,823,000 |
| Field .....                                            | - -         | - -         | - -         |
| 11 Total Personnel Compensation.....                   | 5,351,476   | 5,834,000   | 6,823,000   |
| 12 Personnel Benefits .....                            | 798,221     | 881,000     | 1,033,000   |
| 13 Benefits for former personnel .....                 | 5,487       | 5,000       | 5,000       |
| Total Pers. Comp. & Benefits .                         | 6,155,184   | 6,720,000   | 7,861,000   |
| <b>Other Objects:</b>                                  |             |             |             |
| 21 Travel .....                                        | 854,439     | 921,000     | 1,074,000   |
| 22 Transportation of things                            | 15,722      | 17,000      | 20,000      |
| 23.3 Communications, utilities & miscellaneous charges | 414,336     | 431,000     | 494,000     |
| 24 Printing and reproduction.                          | 180,993     | 194,000     | 208,000     |
| 25 Other services .....                                | 4,722,292   | 5,193,689   | 2,477,979   |
| 26 Supplies and materials ...                          | 184,621     | 192,000     | 218,000     |
| 31 Equipment .....                                     | 439,307     | 239,000     | 276,000     |
| 41 Grants, subsidies and contributions .....           | 334,076,878 | 372,798,311 | 337,114,021 |
| Total other objects.....                               | 340,888,588 | 379,986,000 | 341,882,000 |
| Total direct obligations .....                         | 347,043,772 | 386,706,000 | 349,743,000 |
| <b>Position Data:</b>                                  |             |             |             |
| Average Salary, ES positions .                         | \$77,840    | \$80,640    | \$99,100    |
| Average Salary, GM/GS positions                        | \$36,744    | \$38,596    | \$37,001    |
| Average Grade, GM/GS positions                         | 9.42        | 9.76        | 9.74        |

## COOPERATIVE STATE RESEARCH SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Cooperative State Research Service:

- For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including [~~\$157,045,000~~] \$158,545,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); [~~\$17,500,000~~] \$12,975,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a--582-a7), as amended [by Public Law 92-318 approved June 23, 1972], including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); [~~\$25,333,000~~] \$26,169,000 for payments to the 1890 land-grant colleges, including Tuskegee University, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee University; [~~\$56,543,000~~] \$25,597,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); [~~\$43,066,000~~] \$100,000,000 for competitive research grants,
- 2 including administrative expenses; [~~\$5,476,000~~] for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; \$325,000] \$918,000 for supplemental and alternative crops and products as authorized by the National Agricultural Research, Extension, and Teaching Policy Act of 1977
  - 3 (7 U.S.C. 3319d); [~~\$5,368,000~~] for grants for research and construction of facilities to conduct research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178); and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; \$475,000 for rangeland research grants as authorized by Subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; \$6,004,000] \$6,000,000 for higher education grants under section 1417(a) of Public Law 95-113, as amended (7 U.S.C. 3152(a)); [~~\$3,750,000~~] for grants as authorized by section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and other Acts; \$3,152,000 for grants to States for the operation of international trade development centers, as authorized by the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3292);] \$4,450,000 for low-input agriculture as authorized by the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 4701-4710); and [~~\$13,507,000~~] \$12,239,000 for necessary expenses of Cooperative State Research Service activities, including coordination and program leadership for higher education work of the Department, administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section
  - 5 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which \$11,000,000 shall be for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University, and not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109; in all, [\$341,994,000] \$346,893,000.

The first change deletes a reference to an amendment to the Act of October 10, 1962 (McIntire-Stennis Cooperative Forestry Research). This citation is not necessary.

The second change deletes language for animal health and disease research program authorized by section 1433 of Public Law 95-113.

The third change deletes language for research and construction authorized by the Critical Agricultural Materials Act of 1984 and for rangeland research grants as authorized by Subtitle M of Public Law 95-113. No funding is proposed for these programs in fiscal year 1991.

The fourth change deletes language for grants for the aquaculture centers as authorized by section 1475 of P.L. 95-113 and for grants for international trade development centers as authorized by section 1458A of P.L. 95-113. No funding is proposed for these programs in fiscal year 1991.

The fifth change provides language for the capacity building grants program at the 1890 land-grant institutions and Tuskegee University.

COOPERATIVE STATE RESEARCH SERVICE - CURRENT LAW

|                                      |                    |
|--------------------------------------|--------------------|
| Appropriation Act, 1990 .....        | \$341,994,000      |
| Morrill-Nelson .....                 | 2,850,000          |
| Total, Appropriation Act, 1990 ..... | <u>344,844,000</u> |
| Budget Estimate, 1991 .....          | <u>349,743,000</u> |
| Increase in Appropriation .....      | <u>+4,899,000</u>  |
|                                      | =====              |

|                                                |                |                    |
|------------------------------------------------|----------------|--------------------|
| Adjustments in 1990:                           |                |                    |
| Appropriation Act, 1990 .....                  | \$344,844,000  |                    |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177): |                |                    |
| Direct .....                                   | -4,326,000     |                    |
| Morrill-Nelson .....                           | <u>-40,000</u> |                    |
| Adjusted base for 1990 .....                   |                | 340,478,000        |
| Budget estimate, 1991 .....                    |                | <u>349,743,000</u> |
| Increase from adjusted 1990 .....              |                | <u>+9,265,000</u>  |
|                                                |                | =====              |

COOPERATIVE STATE RESEARCH SERVICE - PROPOSED LEGISLATION

|                                                    |                    |
|----------------------------------------------------|--------------------|
| Budget Estimate, Current Law, 1991 .....           | 349,743,000        |
| Change due to proposed legislation .....           | <u>-2,850,000</u>  |
| Net Request, President's 1991 Budget Request ..... | <u>346,893,000</u> |
|                                                    | =====              |

SUMMARY OF INCREASES AND DECREASES - CURRENT LAW

(On basis of adjusted appropriation)

| <u>Item of Change</u>                                         | <u>1990<br/>Estimated</u> | <u>Pay Costs</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|---------------------------------------------------------------|---------------------------|------------------|----------------------------|---------------------------|
| Payments under the Hatch Act ..                               | \$155,058,000             | - -              | +\$3,487,000               | \$158,545,000             |
| Cooperative forestry research .                               | 17,279,000                | - -              | -4,304,000                 | 12,975,000                |
| Payments to 1890 colleges and<br>Tuskegee University .....    | 25,012,000                | - -              | +1,157,000                 | 26,169,000                |
| Special research grants .....                                 | 73,127,000                | - -              | -42,162,000                | 30,965,000                |
| Competitive research grants/<br>National Research Initiative. | 42,521,000                | - -              | +57,479,000                | 100,000,000               |
| Animal health and disease<br>research, Section 1433 .....     | 5,407,000                 | - -              | -5,407,000                 | - -                       |
| Federal administration (direct<br>appropriation) .....        | 13,336,000                | +\$139,000       | -1,236,000                 | 12,239,000                |
| Higher education .....                                        | <u>8,738,000</u>          | <u>- -</u>       | <u>+112,000</u>            | <u>8,850,000</u>          |
| Total Available .....                                         | <u>340,478,000</u>        | <u>+139,000</u>  | <u>+9,126,000</u>          | <u>349,743,000</u>        |
|                                                               | =====                     | =====            | =====                      | =====                     |

PROJECT STATEMENT - CURRENT LAW  
(On basis of adjusted appropriation)

| Project                 | 1989 Actual   |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|-------------------------|---------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                         | Amount        | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| 1. Hatch Act            |               |                 |                |                 |                         |                |                 |
| Research program:       |               |                 |                |                 |                         |                |                 |
| Formula funds ....      | \$114,124,150 |                 | \$114,591,308  |                 | +\$2,510,640            | \$117,101,948  |                 |
| Regional research.      | 36,172,313    |                 | 36,050,563     |                 | +871,750                | 36,922,313     |                 |
| Subtotal .....          | 150,296,463   |                 | 150,641,871    |                 | +3,382,390              | 154,024,261    |                 |
| Federal Admin. (3%)     | 4,410,309     |                 | 4,416,129      |                 | +104,610                | 4,520,739      |                 |
| Total .....             | 154,706,772   | 59              | 155,058,000    | 59              | +3,487,000 (1)          | 158,545,000    | 69              |
| 2. Cooperative Forestry |               |                 |                |                 |                         |                |                 |
| Research:               |               |                 |                |                 |                         |                |                 |
| Research program ..     | 16,975,000    |                 | 16,760,630     |                 | -4,174,880              | 12,585,750     |                 |
| Federal Admin. (3%)     | 525,000       |                 | 518,370        |                 | -129,120                | 389,250        |                 |
| Total .....             | 17,500,000    | 5               | 17,279,000     | 5               | -4,304,000 (2)          | 12,975,000     | 5               |
| 3. Payments to 1890     |               |                 |                |                 |                         |                |                 |
| Colleges & Tuskegee     |               |                 |                |                 |                         |                |                 |
| University:             |               |                 |                |                 |                         |                |                 |
| Research program ..     | 23,603,010    |                 | 24,261,640     |                 | +1,122,290              | 25,383,930     |                 |
| Federal Admin. (3%)     | 729,990       |                 | 750,360        |                 | +34,710                 | 785,070        |                 |
| Total .....             | 24,333,000    | 8               | 25,012,000     | 8               | +1,157,000 (3)          | 26,169,000     | 8               |
| 4. Special Research     |               |                 |                |                 |                         |                |                 |
| Grants:                 |               |                 |                |                 |                         |                |                 |
| Acid precipitation .    | 661,000       |                 | 653,000        |                 | -653,000                | - -            |                 |
| Aflatoxin research,     |               |                 |                |                 |                         |                |                 |
| Illinois .....          | - -           |                 | 87,000         |                 | -87,000                 | - -            |                 |
| Agricultural diversi-   |               |                 |                |                 |                         |                |                 |
| fication, Hawaii ..     | 156,000       |                 | 154,000        |                 | -154,000                |                |                 |
| Agricultural trade,     |               |                 |                |                 |                         |                |                 |
| North Dakota .....      | 600,000       |                 | 592,000        |                 | -592,000                | - -            |                 |
| Agricultural utiliza-   |               |                 |                |                 |                         |                |                 |
| tion, Minnesota ...     | 200,000       |                 | 395,000        |                 | -395,000                | - -            |                 |
| Alternative cropping    |               |                 |                |                 |                         |                |                 |
| systems in the          |               |                 |                |                 |                         |                |                 |
| Southeast, S. Carolina  | 285,000       |                 | 281,000        |                 | -281,000                | - -            |                 |
| Alternative crops,      |               |                 |                |                 |                         |                |                 |
| North Dakota .....      | - -           |                 | 494,000        |                 | -494,000                | - -            |                 |
| Alternative pest        |               |                 |                |                 |                         |                |                 |
| control, Arkansas .     | 1,400,000     |                 | 1,382,000      |                 | -1,382,000              | - -            |                 |
| Alternative to          |               |                 |                |                 |                         |                |                 |
| Dinoseb, Oregon ...     | 150,000       |                 | 222,000        |                 | -222,000                | - -            |                 |
| Animal health           |               |                 |                |                 |                         |                |                 |
| research .....          | 5,705,000     |                 | 5,633,000      |                 | -5,633,000              | - -            |                 |
| Animal Science Food     |               |                 |                |                 |                         |                |                 |
| Safety Consortium .     | 1,400,000     |                 | 1,678,000      |                 | -1,678,000              | - -            |                 |
| Apple quality re-       |               |                 |                |                 |                         |                |                 |
| search, Michigan ..     | 95,000        |                 | 94,000         |                 | -94,000                 | - -            |                 |
| Aquaculture research    |               |                 |                |                 |                         |                |                 |
| (general) .....         | 520,000       |                 | 563,000        |                 | -563,000                | - -            |                 |
| Aquaculture, Stone-     |               |                 |                |                 |                         |                |                 |
| ville, Mississippi.     | 588,000       |                 | 581,000        |                 | -581,000                | - -            |                 |
| Asparagus yield         |               |                 |                |                 |                         |                |                 |
| decline, Michigan .     | 95,000        |                 | 94,000         |                 | -94,000                 | - -            |                 |
| Bean and beet re-       |               |                 |                |                 |                         |                |                 |
| search, Michigan ..     | 190,000       |                 | 188,000        |                 | -188,000                | - -            |                 |
| Belgian endive, Mass.   | 60,000        |                 | 59,000         |                 | -59,000                 | - -            |                 |
| Blueberry shoestring    |               |                 |                |                 |                         |                |                 |
| virus, Michigan ...     | 92,000        |                 | 91,000         |                 | -91,000                 | - -            |                 |
| Broom snakeweed,        |               |                 |                |                 |                         |                |                 |
| New Mexico .....        | 100,000       |                 | 148,000        |                 | -148,000                | - -            |                 |



| Project               | 1989 Actual |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|-----------------------|-------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                       | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| Celery fusarium,      |             |                 |                |                 |                         |                |                 |
| Michigan .....        | \$40,000    |                 | \$39,000       |                 | -\$39,000               | - -            |                 |
| Chesapeake Bay aqua-  |             |                 |                |                 |                         |                |                 |
| culture, Maryland .   | - -         |                 | 370,000        |                 | -370,000                |                |                 |
| Cranberry/blueberry   |             |                 |                |                 |                         |                |                 |
| disease & breeding,   |             |                 |                |                 |                         |                |                 |
| New Jersey .....      | 260,000     |                 | 257,000        |                 | -257,000                | - -            |                 |
| Dairy & beef photo-   |             |                 |                |                 |                         |                |                 |
| period, Michigan ..   | 33,000      |                 | 33,000         |                 | -33,000                 | - -            |                 |
| Dairy goat research,  |             |                 |                |                 |                         |                |                 |
| Prairie View A&M,     |             |                 |                |                 |                         |                |                 |
| Texas .....           | - -         |                 | 74,000         |                 | -74,000                 | - -            |                 |
| Dark-end syndrome of  |             |                 |                |                 |                         |                |                 |
| potatoes .....        | 150,000     |                 | 49,000         |                 | -49,000                 | - -            |                 |
| Delta rural revitali- |             |                 |                |                 |                         |                |                 |
| zation, Mississippi   | 175,000     |                 | 173,000        |                 | -173,000                | - -            |                 |
| Dried bean research,  |             |                 |                |                 |                         |                |                 |
| North Dakota .....    | 75,000      |                 | 87,000         |                 | -87,000                 | - -            |                 |
| EDB replacement,      |             |                 |                |                 |                         |                |                 |
| Hawaii .....          | 285,000     |                 | - -            |                 | - -                     | - -            |                 |
| Expanded wheat        |             |                 |                |                 |                         |                |                 |
| pasture, Oklahoma .   | 400,000     |                 | 148,000        |                 | -148,000                | - -            |                 |
| Export Services,      |             |                 |                |                 |                         |                |                 |
| Oregon .....          | - -         |                 | 247,000        |                 | -247,000                |                |                 |
| Floriculture, Hawaii  | 300,000     |                 | 296,000        |                 | -296,000                | - -            |                 |
| Food & Agriculture    |             |                 |                |                 |                         |                |                 |
| Policy Institute,     |             |                 |                |                 |                         |                |                 |
| Iowa & Missouri ...   | 463,000     |                 | 714,000        |                 | -714,000                | - -            |                 |
| Food Marketing Policy |             |                 |                |                 |                         |                |                 |
| Center, Connecticut   | 285,000     |                 | 373,000        |                 | -373,000                | - -            |                 |
| Food processing,      |             |                 |                |                 |                         |                |                 |
| Mississippi .....     | 173,000     |                 | - -            |                 | - -                     | - -            |                 |
| Food systems group,   |             |                 |                |                 |                         |                |                 |
| Wisconsin .....       | 148,000     |                 | 219,000        |                 | -219,000                | - -            |                 |
| Global Change .....   | - -         |                 | - -            |                 | +5,000,000              | \$5,000,000    |                 |
| Grasshopper biocon-   |             |                 |                |                 |                         |                |                 |
| trol, North Dakota.   | 69,000      |                 | 71,000         |                 | -71,000                 | - -            |                 |
| Human nutrition,      |             |                 |                |                 |                         |                |                 |
| New York .....        | 450,000     |                 | 556,000        |                 | -556,000                | - -            |                 |
| Integrated orchard    |             |                 |                |                 |                         |                |                 |
| management, Vermont   | - -         |                 | 49,000         |                 | -49,000                 |                |                 |
| Integrated pest       |             |                 |                |                 |                         |                |                 |
| management .....      | 2,940,000   |                 | 2,903,000      |                 | +1,097,000              | 4,000,000      |                 |
| Integrated produc-    |             |                 |                |                 |                         |                |                 |
| tion systems,         |             |                 |                |                 |                         |                |                 |
| Oklahoma .....        | 188,000     |                 | 186,000        |                 | -186,000                | - -            |                 |
| Integrated reproduc-  |             |                 |                |                 |                         |                |                 |
| tion management,      |             |                 |                |                 |                         |                |                 |
| Nebraska .....        | 75,000      |                 | - -            |                 | - -                     | - -            |                 |
| International live-   |             |                 |                |                 |                         |                |                 |
| stock program,        |             |                 |                |                 |                         |                |                 |
| Kansas .....          | 95,000      |                 | 94,000         |                 | -94,000                 | - -            |                 |
| Iowa Biotechnology    |             |                 |                |                 |                         |                |                 |
| Consortium .....      | 1,225,000   |                 | 1,593,000      |                 | -1,593,000              | - -            |                 |
| Livestock & dairy     |             |                 |                |                 |                         |                |                 |
| policy, New York &    |             |                 |                |                 |                         |                |                 |
| Texas .....           | 450,000     |                 | 518,000        |                 | -518,000                | - -            |                 |
| Lowbush blueberry     |             |                 |                |                 |                         |                |                 |
| research, Maine ...   | - -         |                 | 170,000        |                 | -170,000                |                |                 |
| Low-input agric.,     |             |                 |                |                 |                         |                |                 |
| Minnesota .....       | 100,000     |                 | 148,000        |                 | -148,000                | - -            |                 |
| Maple research,       |             |                 |                |                 |                         |                |                 |
| Vermont .....         | 100,000     |                 | 99,000         |                 | -99,000                 | - -            |                 |
| Michigan Biotechno-   |             |                 |                |                 |                         |                |                 |
| logy Institute ...    | 1,750,000   |                 | 2,160,000      |                 | -2,160,000              | - -            |                 |
| Midwest Biotechnology |             |                 |                |                 |                         |                |                 |
| Consortium .....      | 1,750,000   |                 | 2,592,000      |                 | -2,592,000              | - -            |                 |

| Project                                                           | 1989 Actual |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|-------------------------------------------------------------------|-------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                                                                   | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| Milk consumption,<br>Pennsylvania .....                           | \$285,000   | :               | \$281,000      | :               | -\$281,000              | - -            | :               |
| Milkweed research,<br>Nebraska .....                              | 68,000      | :               | 79,000         | :               | -79,000                 | - -            | :               |
| Minor crop pest<br>control, Hawaii ...                            | - -         | :               | 281,000        | :               | -281,000                | :              | :               |
| Minor use animal<br>drugs .....                                   | 229,000     | :               | 226,000        | :               | +103,000                | \$329,000      | :               |
| Mosquito research,<br>riceland agro-<br>ecosystem .....           | 456,000     | :               | 450,000        | :               | -450,000                | - -            | :               |
| Multi-cropping<br>strategies for aqua-<br>culture, Hawaii ...     | 152,000     | :               | 150,000        | :               | -150,000                | - -            | :               |
| National Biological<br>Impact Assessment<br>Program .....         | 125,000     | :               | 123,000        | :               | +177,000                | 300,000        | :               |
| New uses for agricul-<br>tural products, Ohio                     | 133,000     | :               | 131,000        | :               | -131,000                | - -            | :               |
| Nonfood agricultural<br>products, Nebraska.                       | - -         | :               | 109,000        | :               | -109,000                | :              | :               |
| Oil from jojoba,<br>New Mexico .....                              | - -         | :               | 148,000        | :               | -148,000                | :              | :               |
| Operation small farm,<br>Louisiana .....                          | - -         | :               | 99,000         | :               | -99,000                 | :              | :               |
| Oregon/Massachusetts<br>biotechnology .....                       | - -         | :               | 247,000        | :               | -247,000                | :              | :               |
| Peach tree short<br>life, South Carolina                          | 192,000     | :               | 190,000        | :               | -190,000                | - -            | :               |
| Pesticide clearance.                                              | 1,369,000   | :               | 1,975,000      | :               | +1,025,000              | 3,000,000      | :               |
| Pesticide impact<br>assessment .....                              | 2,218,000   | :               | 2,437,000      | :               | +531,000                | 2,968,000      | :               |
| Pesticide research,<br>Washington .....                           | - -         | :               | 49,000         | :               | -49,000                 | - -            | :               |
| Plastic from corn-<br>starch, Nebraska ..                         | 40,000      | :               | 39,000         | :               | -39,000                 | - -            | :               |
| Potato research ....                                              | 1,177,000   | :               | 1,310,000      | :               | -1,310,000              | - -            | :               |
| Preservation and pro-<br>cessing, Oklahoma .                      | 267,000     | :               | 264,000        | :               | -264,000                | - -            | :               |
| Prime farmland recla-<br>mation, Illinois &<br>Kentucky .....     | 450,000     | :               | 543,000        | :               | -543,000                | - -            | :               |
| Regional barley gene<br>mapping project ...                       | - -         | :               | 153,000        | :               | -153,000                | :              | :               |
| Regionalized implica-<br>tions of farm pro-<br>grams .....        | - -         | :               | 346,000        | :               | -346,000                | :              | :               |
| Rural development<br>centers .....                                | 500,000     | :               | 494,000        | :               | -494,000                | - -            | :               |
| Rural economic devel-<br>opment, Georgia ...                      | - -         | :               | 739,000        | :               | -739,000                | :              | :               |
| Russian wheat aphid.                                              | 100,000     | :               | 346,000        | :               | -346,000                | - -            | :               |
| Safflower research,<br>N. Dakota & Montana                        | - -         | :               | 247,000        | :               | -247,000                | - -            | :               |
| Sandhills grazing<br>management practices                         | :           | :               | :              | :               | :                       | :              | :               |
| Nebraska .....                                                    | 100,000     | :               | 99,000         | :               | -99,000                 | - -            | :               |
| Satellite assessment<br>of drought, Oklahoma                      | 300,000     | :               | - -            | :               | - -                     | - -            | :               |
| Seafood harvesting,<br>processing, market-<br>ing, Mississippi .. | - -         | :               | 368,000        | :               | -368,000                | - -            | :               |
| Seedstocks enhance-<br>ment, North Dakota.                        | 200,000     | :               | 197,000        | :               | -197,000                | - -            | :               |
| Soil erosion in<br>Pacific Northwest .                            | 591,000     | :               | 584,000        | :               | -584,000                | - -            | :               |

| Project                 | 1989 Actual |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|-------------------------|-------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                         | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| Southwest Consortium :  |             |                 |                |                 |                         |                |                 |
| for plant genetics & :  |             |                 |                |                 |                         |                |                 |
| water resources ... :   | \$385,000   |                 | \$380,000      |                 | -\$380,000              | - -            |                 |
| Soybean cyst nema- :    |             |                 |                |                 |                         |                |                 |
| tode, Missouri .... :   | 285,000     |                 | 281,000        |                 | -281,000                | - -            |                 |
| Stone fruit decline, :  |             |                 |                |                 |                         |                |                 |
| Michigan ..... :        | 285,000     |                 | 281,000        |                 | -281,000                | - -            |                 |
| Stored grain insects, : |             |                 |                |                 |                         |                |                 |
| Kansas ..... :          | 285,000     |                 | 281,000        |                 | -281,000                | - -            |                 |
| Subirrigation re- :     |             |                 |                |                 |                         |                |                 |
| search, Michigan .. :   | - -         |                 | 62,000         |                 | -62,000                 | - -            |                 |
| Sunflower insects, :    |             |                 |                |                 |                         |                |                 |
| North Dakota and :      |             |                 |                |                 |                         |                |                 |
| South Dakota ..... :    | 190,000     |                 | 188,000        |                 | -188,000                | - -            |                 |
| TCK smut (wheat) ... :  | 193,000     |                 | 247,000        |                 | -247,000                | - -            |                 |
| Tropical & sub- :       |             |                 |                |                 |                         |                |                 |
| tropical research . :   | 3,341,000   |                 | 3,299,000      |                 | -3,299,000              | - -            |                 |
| Water management, :     |             |                 |                |                 |                         |                |                 |
| Alabama ..... :         | 300,000     |                 | 395,000        |                 | -395,000                | - -            |                 |
| Water quality ..... :   | - -         |                 | 6,615,000      |                 | +3,385,000              | \$10,000,000   |                 |
| Wheat genetics, :       |             |                 |                |                 |                         |                |                 |
| Kansas ..... :          | 100,000     |                 | 99,000         |                 | -99,000                 | - -            |                 |
| Wood utilization ... :  | 2,852,000   |                 | 2,816,000      |                 | -2,816,000              | - -            |                 |
| Wool research, Texas :  | 142,000     |                 | 144,000        |                 | -144,000                | - -            |                 |
| World food systems, :   |             |                 |                |                 |                         |                |                 |
| Indiana and Ohio .. :   | 300,000     |                 | 355,000        |                 | -355,000                | - -            |                 |
| Youth science camp, :   |             |                 |                |                 |                         |                |                 |
| West Virginia ..... :   | - -         |                 | 74,000         |                 | -74,000                 | - -            |                 |
| Federal Admin. (4%) :   | (1,675,440) |                 | (2,233,120)    |                 | (-1,209,240)            | (1,023,880)    |                 |
| Total ..... :           | 41,886,000  |                 | 55,828,000     |                 | -30,231,000             | 25,597,000     |                 |
| Critical Agricultural : |             |                 |                |                 |                         |                |                 |
| Materials Act of 1984 : |             |                 |                |                 |                         |                |                 |
| Research and con- :     |             |                 |                |                 |                         |                |                 |
| struction program. :    | 3,557,960   |                 | 5,141,000      |                 | -5,141,000              | - -            |                 |
| Federal Admin. (3%) :   | 110,040     |                 | 159,000        |                 | -159,000                | - -            |                 |
| Total ..... :           | 3,668,000   |                 | 5,300,000      |                 | -5,300,000              | - -            |                 |
| Rangeland Research :    |             |                 |                |                 |                         |                |                 |
| Grants (Subtitle M) :   |             |                 |                |                 |                         |                |                 |
| Research program .. :   | 460,750     |                 | 454,930        |                 | -454,930                | - -            |                 |
| Federal Admin. (3%) :   | 14,250      |                 | 14,070         |                 | -14,070                 | - -            |                 |
| Total ..... :           | 475,000     |                 | 469,000        |                 | -469,000                | - -            |                 |
| Aquaculture Centers, :  |             |                 |                |                 |                         |                |                 |
| Section 1475: :         |             |                 |                |                 |                         |                |                 |
| Research program .. :   | 3,637,500   |                 | 3,591,910      |                 | -3,591,910              | - -            |                 |
| Federal Admin. (3%) :   | 112,500     |                 | 111,090        |                 | -111,090                | - -            |                 |
| Total ..... :           | 3,750,000   |                 | 3,703,000      |                 | -3,703,000              | - -            |                 |
| International Trade :   |             |                 |                |                 |                         |                |                 |
| Centers, Sec. 1458A: :  |             |                 |                |                 |                         |                |                 |
| Program ..... :         | 3,057,440   |                 | 3,018,640      |                 | -3,018,640              | - -            |                 |
| Federal Admin. (3%) :   | 94,560      |                 | 93,360         |                 | -93,360                 | - -            |                 |
| Total ..... :           | 3,152,000   |                 | 3,112,000      |                 | -3,112,000              | - -            |                 |
| Other Agreements, :     |             |                 |                |                 |                         |                |                 |
| Section 1472: :         |             |                 |                |                 |                         |                |                 |
| Program ..... :         | 266,750     |                 | - -            |                 | - -                     | - -            |                 |
| Federal Admin. (3%) :   | 8,250       |                 | - -            |                 | - -                     | - -            |                 |
| Total ..... :           | 275,000     |                 | - -            |                 | - -                     | - -            |                 |
| Low Input/Sustainable : |             |                 |                |                 |                         |                |                 |
| Agric. Prog. (LISA) :   |             |                 |                |                 |                         |                |                 |
| Program ..... :         | 4,316,500   |                 | 4,262,180      |                 | +54,320                 | 4,316,500      |                 |
| Federal Admin. (3%) :   | 133,500     |                 | 131,820        |                 | +1,680                  | 133,500        |                 |
| Total ..... :           | 4,450,000   |                 | 4,394,000      |                 | +56,000                 | 4,450,000      |                 |

| Project                                                                         | 1989 Actual |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|---------------------------------------------------------------------------------|-------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                                                                                 | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| Supplemental and<br>Alternative Crops,<br>Sec. 1473D:                           |             |                 |                |                 |                         |                |                 |
| Oilseed, N. Dakota.                                                             | \$500,000   |                 | - -            |                 | - -                     | - -            |                 |
| Crambe/Rapeseed ...                                                             | 325,000     |                 | \$321,000      |                 | -\$71,000               | \$250,000      |                 |
| Mesquite research,<br>Texas .....                                               | 100,000     |                 | - -            |                 | - -                     | - -            |                 |
| Oil from jojoba, NM                                                             | 100,000     |                 | - -            |                 | - -                     | - -            |                 |
| Guayule research ..                                                             | - -         |                 | - -            |                 | +668,000                | 668,000        |                 |
| Federal Admin. (3%)                                                             | (30,750)    |                 | (9,630)        |                 | (+17,910)               | (27,540)       |                 |
| Total .....                                                                     | 1,025,000   |                 | 321,000        |                 | +597,000                | 918,000        |                 |
| Groundwater Quality:<br>Program .....                                           | 2,910,000   |                 | - -            |                 | - -                     | - -            |                 |
| Federal Admin. (3%)                                                             | 90,000      |                 | - -            |                 | - -                     | - -            |                 |
| Total .....                                                                     | 3,000,000   |                 | - -            |                 | - -                     | - -            |                 |
|                                                                                 | 61,681,000  | 26              | 73,127,000     | 26              | -42,162,000 (4)         | 30,965,000     | 26              |
| 5.Competitive Research<br>Grants/National<br>Research Initiative<br>(NRI) ..... |             |                 |                |                 |                         |                |                 |
| Plant science .....                                                             | 8,000,000   |                 | 7,751,000      |                 | -7,751,000              | - - (a)        |                 |
| Soybean research ..                                                             | (493,000)   |                 | (487,000)      |                 | (-487,000)              | - - (a)        |                 |
| Alcohol fuels .....                                                             | (514,000)   |                 | (507,000)      |                 | (-507,000)              | - - (a)        |                 |
| Human nutrition ....                                                            | 1,000,000   |                 | 1,481,000      |                 | -1,481,000              | - - (a)        |                 |
| Animal science.....                                                             | 6,000,000   |                 | 4,937,000      |                 | -4,937,000              | - - (a)        |                 |
| Brucellosis .....                                                               | (475,000)   |                 | (469,000)      |                 | (-469,000)              | - - (a)        |                 |
| Pest science .....                                                              | 2,000,000   |                 | 1,975,000      |                 | -1,975,000              | - - (a)        |                 |
| Biotechnology<br>(animal & plant) ..                                            | 19,016,000  |                 | 18,775,000     |                 | -18,775,000             | - - (a)        |                 |
| Stratospheric ozone.                                                            | 3,700,000   |                 | 3,653,000      |                 | -3,653,000              | - - (a)        |                 |
| Forestry .....                                                                  | - -         |                 | 3,949,000      |                 | -3,949,000              | - - (a)        |                 |
| NRI-Natural Resources:<br>and Environment ...                                   | - -         |                 | - -            |                 | +15,000,000             | 15,000,000     |                 |
| NRI-Nutrition, Food<br>Quality, & Health ..                                     | - -         |                 | - -            |                 | +5,000,000              | 5,000,000      |                 |
| NRI-Plant Systems ..                                                            | - -         |                 | - -            |                 | +50,000,000             | 50,000,000     |                 |
| NRI-Animal Systems ..                                                           | - -         |                 | - -            |                 | +30,000,000             | 30,000,000     |                 |
| Federal Admin. (4%)                                                             | (1,588,640) |                 | (1,700,840)    |                 | (+2,299,160)            | (4,000,000)    |                 |
| Total .....                                                                     | 39,716,000  | 38              | 42,521,000     | 41              | +57,479,000 (5)         | 100,000,000    | 60              |
| 6.Animal Health and<br>Disease Research,<br>Section 1432:                       |             |                 |                |                 |                         |                |                 |
| Research program ...                                                            | 5,256,960   |                 | 5,190,720      |                 | -5,190,720              | - -            |                 |
| Federal Admin. (4%)                                                             | 219,040     |                 | 216,280        |                 | -216,280                | - -            |                 |
| Total .....                                                                     | 5,476,000   | 2               | 5,407,000      | 2               | -5,407,000 (6)          | - -            | - -             |
| 7.Federal Administra-<br>tion (Direct App.)(b):                                 |             |                 |                |                 |                         |                |                 |
| Gulf Coast shrimp<br>aquaculture .....                                          | 2,736,000   |                 | 3,195,000      |                 | -3,195,000              | - -            |                 |
| Mississippi Valley<br>State University ..                                       | 625,000     |                 | 617,000        |                 | -617,000                | - -            |                 |
| Iowa State-Center for:<br>Food & Industrial<br>Ag. Product Dev. ..              | 950,000     |                 | - -            |                 | - -                     | - -            |                 |
| Pay Costs and<br>Federal Employee<br>Retirement System ..                       | 250,000     |                 | - -            |                 | - -                     | - -            |                 |
| Pay Costs .....                                                                 | - -         |                 | - -            |                 | +139,000                | 139,000        |                 |
| Iowa State-Center for:<br>Ag. & Rural Dev. ..                                   | 750,000     |                 | 741,000        |                 | -741,000                | - -            |                 |
| Geographic Informa-<br>tion System Pilot<br>Program .....                       | - -         |                 | \$494,000      |                 | -\$494,000              | - -            |                 |



| Project                                             | 1989 Actual |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|-----------------------------------------------------|-------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                                                     | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| Water Quality, Ill., :<br>Iowa, & North Dakota:     | - -         | :               | 1,687,000      | :               | -1,687,000              | - -            | :               |
| Office of Grants and :<br>Program Systems ... :     | \$529,000   | :               | 568,000        | :               | -568,000                | - -            | :               |
| Office of Agricul- :<br>tural Biotechnology :       | 250,000     | :               | 222,000        | :               | +278,000                | \$500,000      | :               |
| Ag in the Classroom. :                              | 87,000      | :               | 135,000        | :               | +65,000                 | 200,000        | :               |
| Peer Panels ..... :                                 | 200,000     | :               | 247,000        | :               | +153,000                | 400,000        | :               |
| 1890 Capacity :<br>Building Grants ... :            | - -         | :               | 5,430,000      | :               | +5,570,000              | 11,000,000     | :               |
| Total .....                                         | 6,377,000   | 6               | 13,336,000     | 8               | -1,097,000 (7)          | 12,239,000     | 8               |
| 8. Higher Education:                                |             |                 |                |                 |                         |                |                 |
| Graduate Training                                   |             |                 |                |                 |                         |                |                 |
| Grants .....                                        | 2,852,000   |                 | 2,816,000      |                 | +1,184,000              | 4,000,000      |                 |
| Institution Challenge:                              |             |                 |                |                 |                         |                |                 |
| Grants .....                                        | - -         |                 | 987,000        |                 | +1,013,000              | 2,000,000      |                 |
| Strengthening Grants :                              |             |                 |                |                 |                         |                |                 |
| 1890 Colleges .....                                 | 1,902,000   |                 | 1,878,000      |                 | -1,878,000              | - -            |                 |
| Morrill-Nelson Funds :                              |             |                 |                |                 |                         |                |                 |
| (Permanent Appro.). :                               | 2,850,000   |                 | 2,810,000      |                 | +40,000                 | 2,850,000      |                 |
| Vocational Agri- :<br>culture Curriculum, :         |             |                 |                |                 |                         |                |                 |
| Aquaculture .....                                   | - -         |                 | 247,000        |                 | -247,000                | - -            |                 |
| Federal Admin. (3%) :                               | (142,620)   |                 | (177,840)      |                 | (-27,840)               | (150,000)      |                 |
| Total .....                                         | 7,604,000   | 5               | 8,738,000      | 6               | +112,000 (8)            | 8,850,000      | 7               |
| Total obligations .....                             | 317,393,772 | 149             | 340,478,000    | 155             | +9,265,000              | 349,743,000    | 183             |
| Unobligated Balances:                               |             |                 |                |                 |                         |                |                 |
| Lapsing .....                                       | 838,228     | - -             | - -            | - -             | - -                     | - -            | - -             |
| Transferred .....                                   | -275,000    | - -             | - -            | - -             | - -                     | - -            | - -             |
| Total available or :<br>estimate .....              | 317,957,000 | 149             | 340,478,000    | 155             | +9,265,000              | 349,743,000    | 183             |
| Gramm-Rudman-Hollings :<br>Reduction, P. L. 99-177: | - -         | - -             | 4,366,000      | - -             |                         |                |                 |
| Total, Appropriation .. :                           | 317,957,000 | 149             | 344,844,000    | 155             |                         |                |                 |

(a) Incorporated within the National Initiative for Research on Agriculture, Food and the Environment.

(b) The amounts listed in this table do not include all the costs associated with the items within the Direct Federal Administration activity. The amounts listed below are the additional costs that are funded for these purposes from the administrative set-aside of program funds.

| Project                                       | 1989<br>Actual | 1990<br>Estimated | 1991<br>Estimated |
|-----------------------------------------------|----------------|-------------------|-------------------|
| Ag in the Classroom ...                       | \$92,000       | \$50,000          | - -               |
| Office of Agricultural<br>Biotechnology ..... | 140,547        | 247,000           | - -               |
| Peer Panels .....                             | 248,224        | 248,478           | \$255,770         |
| Office of Grants and<br>Program Systems ..... | 3,508,678      | 4,124,614         | 5,234,309         |
| Other, Federal<br>Administration .....        | 3,989,449      | 4,670,092         | 5,490,079         |



## EXPLANATION OF PROGRAM

The funds appropriated for the Cooperative State Research Service (CSRS) provide the Federal Government's support for land-grant agricultural experiment stations, approved schools of forestry, the 1890 land-grant institutions and Tuskegee University, colleges of veterinary medicine, and other eligible institutions in the fifty States and in Puerto Rico, Guam, the Virgin Islands, the District of Columbia, American Samoa, Micronesia, and the Northern Mariana Islands.

The State institutions conduct research and experiments on the problems continuously encountered in the development of a permanent and sustaining agriculture and forestry, and in the improvement of the economic and social welfare of rural and urban families. Because of differences in climate, soil, market outlets, and other local conditions, each State has distinct problems in the production and marketing of crops and livestock. Farmers, foresters, and rural people in the individual States naturally look to their State Agricultural Experiment Stations, universities, and colleges for solution of the State and local problems and request services to help meet changing conditions.

Research programs at State institutions, to be most effective, include participation in regional and national programs. Joint effort by a group of State institutions is the most effective and often the only practical approach to problems of common interest. The stations are acting together as regional groups to provide cooperative, coordinated attacks on problems of regional and national interest. In a similar manner, the research programs of the State institutions and the Department of Agriculture are complementary and interdependent.

The Federal formula funds constitute a powerful force in bringing about inter-State cooperation and Federal-State collaboration in the planning and conduct of this overall program of agricultural research. Therefore, the impact of the Federal formula funds is far greater than would be expected solely on the basis of the amount of funds provided.

Research at the State institutions is organized into a program of projects that is submitted for approval by the Cooperative State Research Service. The program of projects is financed wholly or in part from Federal formula and grant funds. Programs and projects are evaluated periodically with station scientists by administrators and scientific staff of the Cooperative State Research Service. The evaluation includes consideration of quality and productivity of the program and projects. The continuing process of research evaluation by station scientists and the staff of the Cooperative State Research Service results in a dynamic program with approximately 15 to 20 percent of the projects being replaced by new and/or revised projects each year.

Appropriations for the Cooperative State Research Service activities are authorized under the following Acts:

1. Payments to agricultural experiment stations under the Hatch Act  
Agricultural Experiment Stations Act of August 11, 1955, Hatch Act of 1887 as amended - 7 U.S.C. 361a-361i, Public Law 92-318; Public Law 93-471; Public Law 95-113, as amended; Public Law 95-134; Public Law 96-205; Public Law 96-374; Public Law 96-597; Public Law 97-98; Public Law 98-213; Public Law 98-454; Public Law 99-198; Public Law 99-396.

Funds under the Hatch Act are allocated to the State Agricultural Experiment Stations of the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, American Samoa, and Northern Mariana Islands for research to promote a sound and prosperous agriculture and rural life. The Hatch Act provides that the distribution of Federal payments to States for fiscal year 1955 shall become a fixed base and that any sums appropriated in excess of the 1955 level shall be distributed in the following manner:

- 20% shall be allotted equally to each State.
- not less than 52% shall be allotted to the States as follows:
  - one-half in an amount proportionate to the relative rural population of each State to the total rural population of all States, and
  - one-half in an amount proportionate to the relative farm population of each State to the total farm population of all States.
- not more than 25% shall be allotted to the States for cooperative research in which two or more State Agricultural Experiment Stations are cooperating to solve problems that concern the agriculture of more than one State.
- 3% shall be available to the Secretary of Agriculture for the administration of this Act.

The Act also provides that any amount in excess of \$90,000 available for allotment to any State, exclusive of the regional research fund, shall be matched by the State out of its own funds available for research, and for the establishment and maintenance of facilities necessary for the performance of such research. Also, in the case of Guam, the Virgin Islands, Micronesia, American Samoa, and Northern Mariana Islands, agencies are required by law to waive any requirement for local matching funds under \$200,000.

Three percent of funds appropriated under the Hatch Act is set-aside for Federal administration. Administration includes disbursement of funds and a continuous review and evaluation of the research programs of the State Agricultural Experiment Stations supported wholly or in part from Hatch funds. The Cooperative State Research Service encourages and assists in the establishment of cooperation within and between the States, and also actively participates in the planning and coordination of research programs between the States and the Department at the regional and national levels.

2. Cooperative Forestry Research - The Cooperative Forestry Research Act of October 10, 1962, 16 U.S.C. 582a-7; Public Law 96-374; Public Law 97-98; Public Law 99-198.

The Act authorizes funding of research in State institutions certified by a State representative designated by the governor of each State. The Act provides that appropriated funds be apportioned among States as determined by the Secretary after consultation with a national advisory council of not fewer than sixteen members representing Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest industries, the forestry schools of the State-certified eligible institutions, State Agricultural Experiment Stations, and volunteer public groups concerned with forests and related natural resources. Determination of apportionments follows consideration of pertinent factors including areas of non-Federal commercial forest land, volume of timber cut from growing stock, and the non-Federal dollars expended on forestry research in the State. The Act also provides that payments must be matched by funds made available and budgeted from non-Federal sources by the certified institutions for expenditure for forestry research. Three percent of funds appropriated under this Act is set-aside for Federal administration.

3. Payments to 1890 Colleges and Tuskegee University - The National, Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1445, Public Law 95-113; Public Law 95-547; Public Law 97-98; Public Law 99-198.

Public law 95-113, as amended provides for support of continuing agricultural research at colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee University. Beginning with fiscal year 1979, there shall be appropriated funds for each fiscal year, an amount not

less than 15% of the total for such year under Section 3 of the Act of March 2, 1887. Distribution of payments made available under section 2 of the Act of August 4, 1965, for fiscal year 1978 are a fixed base and sums in excess of the 1978 level shall be distributed as follows:

- 3% shall be available to the Secretary of Agriculture.
- Payments to States in fiscal year 1978 is a fixed base. Of funds in excess of this amount:
  - 20% shall be allotted equally to each State.
  - 40% shall be allotted in an amount proportionate to the rural population of the State in which the eligible institution is located to the total rural population of all the States in which eligible institutions are located, and
  - 40% shall be allotted in an amount proportionate to the farm population of the State in which the eligible institution is located to the total farm population of all the States in which eligible institutions are located.

Allotments to Tuskegee University and Alabama A&M University shall be determined as if each institution were in a separate State. Three percent of the funds appropriated under this Act is set-aside for Federal administration. This includes disbursements of funds and review and evaluation of research projects.

4. Special Research Grants- Section 2(c), Act of August 4, 1965, 7 U.S.C. 450i as amended by Public Law 95-113; Public Law 97-98; Public Law 98-284; Public Law 99-198.

Section 2 of the Act of August 4, 1965, as amended, authorizes Special Research Grants for periods not to exceed five years to land-grant colleges and universities, research foundations established by land-grant colleges and universities, State Agricultural Experiment Stations, and to all colleges and universities having a demonstrable capacity in food and agriculture research, to carry out research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the Nation; and to State Agricultural Experiment Stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962, and accredited schools or colleges of veterinary medicine, to facilitate or expand ongoing State-Federal food and agricultural research. Special Research Grants are awarded on the discretionary basis as well as using a competitive peer panel process in the selection of proposals to be funded.

Research grants are also awarded under the Critical Agricultural Materials Act, Public Law 98-284, as amended. Rangeland Research Grants are awarded in accordance with Subtitle M of Public Law 97-98. Grants are awarded to aquaculture centers under section 1475(d) of Public Law 95-113, as amended. Other research grants are awarded under section 1472 of Public Law 95-113, as amended. Grants for international trade development centers are awarded under section 1458A of Public Law 95-113. Grants for supplemental and alternative crops are awarded under section 1473D of Public Law 95-113. Low-input agricultural productivity research grants are awarded under Subtitle C of Public Law 99-198.

5. Competitive Research Grants/National Research Initiative - Section 2(b), Act of August 4, 1965, 7 U.S.C. 450i, as amended by Public Law 95-113; Public Law 97-98; Public Law 99-198.

Section 2 of the Act of August 4, 1965, as amended authorizes Competitive Research Grants for periods not to exceed five years to State Agricultural Experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or



corporations, and individuals to further the programs of the Department of Agriculture. By obtaining the participation of outstanding researchers in the entire U.S. scientific community, emphasis will be placed on research in the areas of natural resources and the environment; nutrition, food quality, and health; plant systems; and animal systems.

6. Animal Health and Disease Research. - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1433, Public Law 95-113; Public Law 97-98; Public Law 99-198.

Section 1433 provides for support of livestock and poultry disease research in accredited schools or colleges of veterinary medicine or State Agricultural Experiment Stations that conduct animal health and disease research. These funds shall be distributed as follows:

- 4% shall be retained by the Department of Agriculture for administration, program assistance to the eligible institutions, and program coordination.
- 48% shall be distributed in an amount proportionate to the value of and income to producers from domestic livestock and poultry in each State to the total value of and income to producers from domestic livestock and poultry in all the States.
- 48% shall be distributed in an amount proportionate to the animal health research capacity of the eligible institutions in each State to the total animal health research capacity in all the States.

Eligible institutions must provide non-Federal matching funds in States receiving annual amounts in excess of \$100,000 under this authorization.

7. Federal Administration (direct appropriation) - Authority for direct appropriations is provided in the annual Agriculture, Rural Development, and Related Agencies Appropriations Act. These funds are used to provide support services in connection with research planning and coordination of all programs administered by Cooperative State Research Service. Certain research and higher education program grants are also funded under this item.
8. Higher Education - The National Agricultural Research, Extension, and Teaching Policy Act of 1977, Section 1417, Public Law 95-113; Public Law 97-98; Public Law 99-198; Second Morrill Act of 1890; Public Law 100-339.

Higher Education-Strengthening Grants pursuant to Section 1417(a)(2)(A) support resident instruction programs at historically black land-grant institutions and Tuskegee University. Higher Education-Graduate Training Grants pursuant to Section 1417(a)(3)(B) are awarded on a competitive basis to colleges and universities to conduct graduate training programs to stimulate the development of food and agricultural scientific expertise in targeted national need areas. Institution Challenge Grants pursuant to Section 1417 (a)(2)(A) are designed to stimulate and enable colleges and universities to provide the quality of education necessary to produce graduates capable of strengthening the Nation's food and agricultural scientific and professional workforce. Higher education in the food and agricultural sciences at the land-grant institutions is also supported through a permanent appropriation in the Second Morrill Act of 1890, as amended.

#### OIG Reports

- #13004-13-At 9/8/89 Audit of the Cooperative Research Program at Tuskegee University.
- #13601-01-At 3/31/89 Audit of the Research Facilities Program at 1890 Land Grant Institutions and Tuskegee University.
- #13099-5-At 10/31/88 Cooperative State Research Service Corrective Action on an Office of Management and Budget Circular A-110 Audit, Alabama Agriculture and Mechanical University, Normal, Alabama.

## JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$3,487,000 for payments to States under the formula provisions of the Hatch Act program (\$155,058,000 available in 1990).

Need for Change. The State-Federal partnership that resulted from the passage of the Hatch Act in 1887 has fostered a network of communication and collaboration that has led to a functional National Cooperative Agricultural Research System. The uniqueness of this system is its ability to meet the national, regional and local needs of the American farmer, consumer and rural community. Funds from the Hatch Act are distributed on a formula basis to the State Agricultural Experiment Stations (SAES) of the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, American Samoa and the Northern Mariana Islands for research to promote a sound and prosperous agriculture and rural life. Funds are also distributed from a Regional Research Fund to approved national and regional projects to encourage inter-institutional collaboration on problems of national and regional significance.

An additional positive effect of the Hatch Act on the funding of agricultural research is that many States exceed the minimum matching requirement so that the Hatch Act serves as a resource multiplier. At the present time the ratio of Hatch Act funds to State appropriated funds is 1:4, a uniquely successful demonstration of the extended impact of Federal funds.

Hatch Act funding, and the entrained State funds, have formed a stable base of funding for agricultural research that has served as a seedbed for the germination of new ideas. A long term stable funding base has permitted scientists in the State Agricultural Experiment Stations to be persistent in the search for creative solutions. Ideas that have emerged from this stable system have been expanded and elaborated by funds from other programs, such as the CSRS Special and Competitive Research Grants.

Agriculture continues to face a short-term survival crisis and a long-term need for new technology that will restore competitiveness in both the domestic and international marketplace and enhance profitability. The continuing awareness of the necessity of a pollution free technology that enhances our natural and renewable resources, preserves environmental quality and still permits the production of food and fiber at the lowest possible cost is a challenging objective in our research agenda.

The specific agenda is broad and complex. It includes: sustaining soil productivity, maintaining and protecting water quality and quantity, improved multi-use management of rangelands and pastures, determining the effects of atmospheric deposition and global change, increasing the biological efficiency of animals, reducing disease losses in animals, genetically improving crop plants, improving the management of crop pests and diseases, enhancing the economics of agriculture, improving performance and profitability through agricultural policy changes, improving the efficiency of marketing agricultural products, enhancing the rural family and community well-being, improving our understanding of nutrition and the health status of people, improving our understanding of molecular and cellular processes, improving our use of computer technology for agricultural management, advancing the use of robotics in agriculture, and enhancing the quality of processed food.

Although the agenda is demanding, the opportunities for achieving our objective through research are great. The track record of Hatch Act supported research is well documented and the annual return of near 50 percent on the invested research dollar encourages us to be optimistic. Coupled with the achievements of the past are the creative ambitions of approximately 12,500 scientists in 59 institutions who are dedicated to the solution of problems of agriculture through science.



Nature of Change. These funds are needed to assist the State Agricultural Experiment Stations in maintaining strong base programs across a broad spectrum of high priority research areas. The research conducted by the SAES has been complementary, and cooperative with, that performed by Federal researchers in contributing to the high level and efficiency of food and fiber production. The effectiveness of research is enhanced by comprehensive knowledge of the characteristics of the production area and close interaction among the researchers and the research users. These funds will provide the State Agricultural Experiment Stations with continued flexibility needed to address high priority local, regional, and national food and agricultural research issues.

- (2) A decrease of \$4,304,000 for payments to States under the formula provisions of the Cooperative Forestry Research program (\$17,279,000 available in 1990).

Need for Change. The Cooperative Forestry (McIntire-Stennis) Research program at land-grant and other State institutions is planned and directed to provide answers to questions that face forest and land owners and managers seeking to produce an adequate domestic timber supply with a diminishing land base while accommodating recreational, sport, esthetic, and environmental demands on the same land. State research institutions conduct forestry research under other authorizations which provide opportunity to respond to State, regional, and national priorities as appropriate. A portion of this program is proposed for elimination, however, the State Agricultural Experiment Stations and Forestry Schools have maximum flexibility under this program to tailor research according to specific needs and can continue to fund research in those areas that they identify as highest priority.

Nature of Change. Program objectives in the sixty-two participating institutions will be conducted at a reduced level. Ongoing Federal and State forestry research efforts will also continue under other authorizations. In addition, funds for forestry research will be available on a competitive basis through the National Research Initiative.

- (3) An increase of \$1,157,000 for payments to the 1890 Land-Grant Colleges and Tuskegee University under the formula provisions of the Evans-Allen program (\$25,012,000 available in 1990).

Need for Change. As part of the Department's initiative for 1890 land-grant institutions and Tuskegee University to develop their institutional capacity, research and technology development must increase to insure returns to society. Small-scale and alternative agriculture is essential for its contribution to the vitality and the quality of life in rural America, if not for its contribution to aggregate agricultural production. Statistics clearly indicate that the number of small-scale farmers is increasing rather than decreasing. It is estimated that by the year 2000, 80 percent of the American farming population will be considered small-scale producers. Furthermore, most of these farmers will operate on a part-time basis; nevertheless, it is these farmers who will contribute significantly to both the social and economic base for rural America. Many of the 1890 institutions have unique strengths in the area of small-scale agriculture. Following a five-year program of facility modernization, these institutions have the capacity to fulfill an expanded role in research and training.

Nature of Change. Increased funding will be used to provide greater emphasis to alternative cropping systems and management systems for animals such as goats (meat and milk types) and rabbits. These animals can be produced by small-scale agricultural operations with relatively small capital investment and financial risk. Experiments will be conducted on crops that are adapted to, but not normally grown in, some areas. While production systems are being evaluated, concurrent studies on marketing opportunities and strategies will be undertaken. Experiments will provide

baseline data for commercializing these alternative crops. Studies in goat production will range from management and nutrition studies with forages and alternative foodstuffs, to the use of gene transfer to improve production and protection through genetics.

Increased emphasis on the identification of new employment opportunities will be explored with special emphasis on off-farm employment, home based businesses, expansion of the rural service sector, and other economic diversity for family income stability and rural community growth. Resource management research will be undertaken to improve the family and community skills in managing money, time, and human and physical resources. Research is needed to develop alternative marketing systems and management strategies for small-scale agriculture and to determine the economic feasibility of nontraditional crops and animal enterprises.

Increased emphasis will also be on aquaculture, as an alternative crop to diversify farm production. Aquaculture production nationwide is estimated at more than 700 million pounds with a farm market value at more than \$500 million. The market outlook for aquaculture products is generally excellent. Wild harvest on a global scale has leveled off and U.S. per capita consumption of seafood products has increased steadily over the last decade. New technologies in fish and shellfish culture, as well as increasing costs in the traditional fish harvesting sector, have made aquaculture production very competitive with wild harvest. Studies on water quality, physiology and diseases will be among the important research areas.

- (4) A net decrease of \$42,162,000 for Special Research Grants, Critical Agricultural Materials Act, Rangeland Research Grants, Aquaculture Centers, and International Trade Development Centers (\$73,127,000 available in 1990) consisting of:

- (a) An increase of \$5,000,000 for Global Change Special Research Grants (No funding available in 1990).

Need for Change. Global Change studies were identified in a government-wide crosscut analysis which led to a comprehensive planning effort across agencies and a commitment to a coordinated program of research. The USDA, including CSRS, has an important role to play in this activity. The USDA plan draws on CSRS for the capability of the State Agricultural Experiment Station and forestry research system to employ its unique competencies and broad geographic locations. The proposed funding of \$5 million will support research as identified in this joint planning process. Increased research is needed on the problem of increasing amounts of the so called greenhouse gases from agriculture. Carbon dioxide and methane are two of the most important of these. There has been a significant amount of research involving carbon dioxide, but methane remains to be researched thoroughly. Agriculture is an important source of methane generation from rice production, animal wastes, ruminant animals digestive processes, and wetlands.

The concentration of methane in the atmosphere is currently increasing at a rate of approximately one percent per year. Continued increases in the concentration of methane in the atmosphere will lead to greater tropospheric ozone formation (a component of smog) which is considered a threat to human health and the environment. In addition, increasing methane concentrations directly and indirectly change radiative properties of the atmosphere, contributing to the greenhouse effect. Current estimates indicate that anthropogenic sources account for about 60 percent of methane emissions with the remaining emissions, from natural sources, associated with swamps, marshes, lakes and oceans. Animals, and in particular managed ruminant animals, produce significant quantities of methane as part of their digestive

processes. Excluding animal wastes, ruminants are estimated to account for nearly one fourth of the total anthropogenic emissions, or about 15 percent of total emissions. While many uncertainties exist, it would appear that with adequate resources and policies, emissions of methane from livestock could be reduced from 25 percent to 75 percent. Reductions in methane probably would contribute to higher animal productivity.

The burning of fossil fuels has been identified as a major factor in the increasing concentration of carbon dioxide. Reducing the amount of energy required (conservation) and the substitution of biomass energy sources, such as alcohol and vegetable oils, in the U.S. food and agriculture system could significantly reduce carbon dioxide production. Opportunities to achieve these goals are by continued research on alcohol fuels and the successful development and utilization of the external combustion engine technology. The external combustion engine can utilize a broad range of energy sources including biologically-based carbon fuels, and results in cleaner by-products of combustion. There is a need to develop and evaluate mobile and stationary power systems for small-scale power demands such as irrigation pump systems utilizing external combustion engines. The engine should be tested for use in generating electric power when fueled with energy produced from agricultural products and agriculture and forestry by-products.

Global change is occurring with many reports of decreasing ozone levels which would lead to increasing levels of UV-B radiation that can damage plants. However, little information exists on the overall aspects of this potentially serious problem. UV-B studies are needed on basic plant biology (already started with competitive research grants); what are the UV-B levels found in U.S. agricultural areas and how rapidly are these levels changing; and the growth and yield responses of economic crops and trees to changing levels of UV-B radiation.

Acidic precipitation continues to be important because little is known of its linkages with global climate change. Since 1983, a separate Acid Precipitation Special Research Grants Program has supported research on the direct effects of acid precipitation on terrestrial systems. A shift of this program into the Global Change area will bring acid precipitation research into close concert with broad-scope climate change research activity.

Nature of Change. Research is needed to assess whether methane measurements made in the laboratory (indirect calorimetry) are representative of field conditions. If biases exist, can they be quantified? Sufficient measurements have not been made of various types of animal populations, such as beef herds under range conditions. Accurate measurements of emissions from animal wastes are not available, so it will be necessary to summarize literature reports and conduct well-designed field studies to evaluate emission rates. Enhancement of animal productivity through the use of nitrogen supplements, ionophores or implants may reduce methane emissions. The use of intact males offers the opportunity to improve efficiency of muscle tissue production and thus decrease methane emissions without the use of growth adjuvants. Studies of methane emissions from wetlands and other poorly drained land areas will also be conducted. This research will facilitate the development of models to estimate how methane emissions would change as a result of various types of interventions.

Data are needed for the production of gases by current farming systems, including wetlands. Global change models need data which could be generated in these studies. With better understanding of the current level of production of "greenhouse gases" from agriculture,



and of the impacts on such production by changes in management, models can be developed to assist in formulating management strategies to optimize these impacts. Research is needed to develop data on these impacts and to help plan and formulate management strategies.

The use of biomass for liquid and solid fuels provides for a short carbon cycle when such cycles are compared to conventional fuels. In addition, the use of biomass fuels reduces airborne pollutants compared to coal and oil fuels. Continued alcohol research on processes to improve yield and reduce cost, and utilization of by-products is an essential component for increased use of biomass fuels. The use of biomass fuels in co-generation systems can reduce imported energy requirements. Electrical energy production has increased in many wood-industry plants as recognition of the advantages of co-generation becomes apparent. Research continues to examine processes, policies, and equipment to increase the economics of the systems. Many wood-processing plants are energy intensive. Research into effectively reducing energy needs also reduces the impacts of energy production and use on the environment.

Forest and range ecosystems cover about two-thirds of the Nation's landmass and as such are affected by, as well as affect, the environment. The impact of overmature forests, denuded rangeland, active productive ranges and forests on the general well being of the Nation must be documented in order that political, economic, and social policies may be established to assure benefits to the Nation and its global partners. Mechanisms and interactions of ecosystems on the climate and climate on ecosystems must be understood.

These Special Research Grant funds will be used to assess the changing levels of UV-B through a monitoring network of stations. The resulting data will provide information for UV-B baseline determinations and forecasts of future levels. To save funds and time, UV-B instrumentation and support will be added to selected monitoring stations of the National Atmospheric Deposition Program/National Trends Network (NADP/NTN). For economic crops and trees, Special Research Grants will be awarded on vegetative and reproductive growth responses to different levels of UV-B radiation; whether other environmental stresses interact to either intensify UV-B damage or possibly mitigate UV-B effects; and if some crops and/or plant germplasm are resistant to high levels of UV-B. Grants will be awarded on a competitive basis to support research on effects of acidic precipitation alone or in combination with other pollutants or "greenhouse gases".

- (b) An increase of \$1,097,000 for Integrated Pest Management (IPM) Special Research Grants (\$2,903,000 available in 1990).

Need for Change. The goal of IPM is to synchronize the management of pests with the production of the crop in a manner that will maximize economic yield, increase the efficiency of production and grower profits by reducing costs of production, sustain agricultural productivity in national and international markets, and resolve environmental and biological problems associated with past pest control approaches.

A National IPM Symposium/Workshop was held in April 1989 in which 500 multi-disciplinary scientists participated. Twenty-two reports were presented on research priorities in ten thrust areas and twelve commodity programs. The ten thrust areas were knowledge-based systems, biological control, ecological basis for weed biology, integration of cultural practices, resistance/defense mechanisms in crops, managing resistance to pesticides, threshold use and sampling procedures, law and regulatory impact on pesticide use in IPM, movement and dispersal of biotic agents, and changing role of

simulation modeling. The twelve commodity reports were for potatoes, corn, soybeans, tree fruits, vegetables, cotton, small grains, rangelands, livestock and poultry, forage and alfalfa, forestry, and urban. In general, the commodity reports reflected back to the thrust areas. For example, the commodity report for pest management for vegetable production included priorities and needs for: alternative (non-pesticide, or low impact pesticide) mechanisms of pest suppression. These include development of effective biological controls for the myriad of vegetable production systems, development of cultural procedures, development and use of pest-resistant vegetable cultivars, development and appropriate use of bio-rational chemicals, and application of appropriate reduced-pesticide strategies. The published proceeding, National Integrated Pest Management Symposium/Workshop is available (November 1989).

This research will synchronize the management of pests with the production of the crop. For example, the potato crop management program in Wisconsin includes programs for the scheduling of irrigation, the management of insect, weed, and disease problems, as well as guidelines for optimum fertilization. The potato crop management program utilizes computerized disease forecasting based on environmental monitoring, dynamic treatment thresholds for the major insect pest species, fertilizer assessment and application timing to match crop requirements, weed development models, and precise irrigation management based on soil and environmental parameters. The program reduces pesticides, irrigation and fertilizer applications while maintaining economic profitability. Economic benefits of \$100-140 per acre in research plots of Russet Burbank potatoes have been demonstrated compared to a conventional management program. Growers in Wisconsin have testified, "...the research behind the creation of these programs is the direction of agriculture for the future. Better management of available resources is the key to both profitability and reducing the environmental impact in agriculture today." The scientific basis of sustainable agriculture and managing environmental problems are being addressed by these IPM approaches.

Nature of Change. The priorities identified in the April 1989 Symposium/Workshop will be addressed in the regional production systems of the National Integrated Pest Management Program. Under this national program, each region addresses identified priority needs in regional production systems. The regional production systems range from irrigated/dryland production in the Western Region to the humid production systems in the Northeast. The National IPM program is uniquely designed to address the different pest problems across the range of production systems. This funding increase will expand the research activities in the IPM program and significantly increase the progress toward attaining the IPM goals.

- (c) An increase of \$103,000 for Minor Use Animal Drugs Special Research Grants (\$226,000 available in 1990).

Need for Change. Grants are awarded in support of the National program to obtain FDA clearance of animal drugs and biologics for minor uses and minor species. The animal drug program utilizes the existing resources available through the Hatch interregional project IR-4 (A National Agricultural Program to Clear Pest Control Agents and Animal Drugs for Minor Uses) and the Regional Leader Laboratories that currently support the pesticide program. To date, the drug program has received 169 requests for clearances. Research is being conducted on 31 projects in conjunction with many universities, the U. S. Department of Interior (Fish and Wildlife Service), the Agricultural Research Service, and 14 pharmaceutical companies. Ten public master files have been published related to specific minor use, with five more pending FDA approval.



It is necessary to address the increasing need for registration of safe animal drugs and biologics for minor uses and minor species. The unavailability of such drugs, requisite to adequate animal health and protection, results in serious economic losses to producers. The high cost incurred to obtain the extensive experimental data on efficacy, safety, and residue depletion, required by Federal and local regulations, cannot profitably be borne by the animal and pharmaceutical industries for minor uses. The existing IR-4 program, working cooperatively with the U.S. Food and Drug Administration (FDA), provides the only remaining alternative to approve these types of drugs.

Nature of Change. This increase will expedite drug clearance by permitting an increase in the research necessary to respond to the extensive list of requests for approval of minor use animal drugs. By accelerating the rate of new drug clearances, the temptation for producers to use drugs without proper clearance, potentially resulting in drug residues, would be reduced. Currently, the disease losses that are encountered greatly impact profitability. An expanded minor use animal drugs program in IR-4 offers an existing coordinated mechanism to keep pace with the urgent demand for approval of effective animal drugs. This is necessary to protect both animals and the consumer.

- (d) An increase of \$177,000 for the National Biological Impact Assessment Program Special Research Grants (\$123,000 available in 1990).

Need for Change. The National Biological Impact Assessment Program (NBIAP) has the mission to facilitate the safe field testing of genetically modified organisms. This program has successfully established an information system to meet the needs of scientists who must comply with the Federal Coordinated Framework for the Regulation of Biotechnology. The information system is comprised of a bulletin board, a series of databases and a knowledge base that uses artificial intelligence to draft applications for Federal permits for field testing with genetically modified organisms. The core components of the NBIAP Biosafety Program must now be expanded to cover additional needs of the national research community. One of these needs is more direct coordination of technical projects in biosafety research. Better coordination of specific biosafety research projects will help expand the scientific knowledge necessary for sound decisions on the safety of planned experiments and will provide better methods to assure adequate protection of the environment and public health.

Another need for change is in the area of biological monitoring. The Program must encourage the development of a nationwide monitoring system to follow-up field tests to make sure that the precautions taken are adequate to protect and preserve the environment and public safety.

Another needed change is for targeting special pilot programs in biosafety research to provide new directions for program planning and project support. Much of this would be for specific organism groups which will then, in turn, support the Biosafety Knowledge Base.

Nature of Change. Some of the existing data bases must be expanded in scope to incorporate new biosafety knowledge as it is developed through research projects and expert panels. By providing greater coordination of biosafety research through targeted technical projects, greater efficiency of resources will be realized. But new resources will be needed to call together scientists for planning and reporting of activities.

The national need for a biological monitoring system for biotechnology will be most appropriately met through the development of partnership institutions coordinated and facilitated by the NBIAP. This can best be done by calling together scientists of mutual interest and common need, and encouraging them to participate in the planning of the biological monitoring program. This will require new resources and new approaches to research organization that will be provided by the NBIAP leadership.

Biosafety research is an emerging area of science critically important to the safe field testing of genetically modified organisms. Once considered part and parcel of the normal research process, biosafety is now recognized as a separate entity that supports research through the development of methods, protocols and procedures to support safe biotechnology research. By initiating pilot programs in biosafety areas new research needs can be identified and then resources allocated to the most promising areas. Additional funding for NBIAP will allow for greatly expanding these needed efforts.

Finally, additional funding will allow expanded communications to gather information on topics such as expert opinion on research protocols and other types of information not now well documented in traditional literature. Making this information available through NBIAP will support the scientific community and consequently advance the science of biotechnology as it is applied to agriculture.

- (e) An increase of \$1,025,000 for Pesticide Clearance Special Research Grants (\$1,975,000 available in 1990).

Need for Change. New regulatory requirements of EPA for implementation of "Good Laboratory Practices" and recent amendments to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) passed by the 100th Congress are two major areas that need immediate action under the Pesticide Clearance (IR-4) program. If American agriculture is to have available the legally registered materials necessary to provide for a wholesome and nutritious diet for the consuming public and to supply them with the ornamental plants to beautify their environment, it is essential to meet these regulatory demands. Good Laboratory Practices will increase the work load, conservatively estimated, by about 25 percent and is being required for both field and laboratory research.

Recent FIFRA amendments greatly accelerate the need for reregistration of currently used pesticides including many used on minor crops. Reregistration of previously registered pesticides will require redoing much of the original research using current state of the art technology. The continued registration of all the fungicides and a number of herbicides is currently under review. There is no patent protection and very little economic incentive for commercial companies to reregister these older pesticides. In contrast, the economics to the user are excellent, and further, these older pesticides have been researched and incorporated into sound environmental management systems. Their loss would be a severe restriction to pest management programs.

Nature of Change. Funding will first be applied toward the increased effort needed for Good Laboratory Practices. Support is also required for the initiation of the reregistration process for minor use agricultural commodities and the initial registration of safer and more environmentally compatible pesticides. The project is inundated with requests for assistance in the registration of both chemicals and biologicals for both food and ornamental crops. There is a large backlog of valid researchable requests currently numbering about 1,200. In addition an estimated 4,500 pesticide uses might be

required to be reregistered, of which about 1,000 may result in researchable projects that will not be covered by industry but are needed by the agricultural community. Thus it is anticipated that the total number of researchable projects will double to slightly more than 2,000. Since most of the pesticides subjected to reregistration are not under patent for minor uses, there is little financial incentive for private manufacturers to reregister many of them. Often there are a very limited number of pesticides registered for minor crops, and loss of registration would make minor crop production more expensive, if not prohibitive, due to lack of adequate pest control. At the \$3 million funding level, approximately 90 projects can be completed per year, at an average cost per project of \$33,000. To meet these demands, the research activities of the IR-4 program will be expanded to include additional field experiments and the resultant chemical analyses for residues. The final product of the increased support will be an increased number of chemical and biological products available for use on specialty crops.

- (f) An increase of \$531,000 for Pesticide Impact Assessment Special Research Grants (\$2,437,000 available in 1990).

Need for Change. Recent regulatory reforms resulting from concerns about the impact of pesticides on man and the environment have resulted in an EPA program to reregister all pesticides. This is a special review process in which information on materials requested under previous programs is examined to determine areas of missing or incomplete data. In order to make regulatory decisions, EPA requests these data from both the public and private sectors. The large number of chemicals on the market has necessitated an acceleration by EPA of the rate special reviews are initiated. In addition, currently all fungicides are under review. Commodity assessment teams will be undertaken in FY 1990. The National Agricultural Pesticide Impact Assessment Program (NAPIAP) must be in a position to provide scientifically sound data on the impacts of these pesticides, not only as they relate to maintaining a strong agricultural economy but also human health and the environment.

Nature of Change. The increased funds will be used to support university scientists on additional assessment teams formed to meet the demands of these EPA special reviews and the USDA's proactive Commodity Assessment Teams. The increase in funds will help support the quality assurance factors (Good Laboratory Practices) required for data used in the registration process. In addition these funds will be used to support research on innovative methods to assess pesticide impacts including related water quality. Areas of emphasis would include computer models designed to examine the weight of various factors on profitability, calibration of modeling systems designed to predict movement of pesticides into groundwater, and use of electronic data systems to accelerate the data gathering process. The assessment team efforts and supporting research will place NAPIAP in a strong position to promote informed regulatory decisions on registered pesticides that significantly benefit U.S. agriculture without causing unreasonable adverse effects to humans or the environment.

- (g) An increase of \$3,385,000 for Water Quality Special Research Grants (\$6,615,000 available in 1990).

Need for Change. Water is one of our nation's most valuable natural resources and its quality is crucial to the Nation's interests. It is essential that this natural resource be conserved and its quality maintained or improved if contaminated to assure sufficiency of good quality water for future generations. Water quality is vulnerable to contamination by increased use and disposal of toxic chemicals and other substances from industry, agriculture, forestry, and other urban



and rural sources. Public concern has increased sharply because of possible health problems associated with trace levels of toxic chemical residues detected in certain public and private wells.

Science based data and information from water quality research by CSRS State cooperating institutions is urgently needed to more correctly define best management practices and other educational materials. These products will be used by agricultural producers, State agencies, Extension, SCS, and EPA to not only improve efficiency of chemical and waste use but also to respond to requirements of State and Federal legislation, while avoiding unacceptable sacrifice in agricultural profitability. This requires a thorough understanding of what happens to pesticides, fertilizers, and wastes after they are used in agriculture under widely different conditions of soils, crops, climate, and types of chemicals.

Nature of Change. Efforts must continue on research initiatives implemented in FY 1990 in response to the USDA Research Plan for Water Quality, so we can more adequately understand processes of contamination and learn how to avoid unacceptable degradation of water resources. Two research thrusts underway in FY 1990 include the integrated systems approach of the Midwest Initiative, and the Special Research Grants program of awards made on a nationwide competitive basis. The latter program addresses selected water quality research categories representing widely different soils, climate, and crop producing areas of the United States, thus making progress in response to the "Need for Change" statement.

Midwest Initiative (\$3 million). The request for FY 1991 includes an increase of \$38,000 resulting in a total program of \$3.0 million to continue CSRS support of targeted research in the very heavy pesticide and nitrogen-use area of the Corn Belt. This multi-agency, State-Federal Midwest Initiative program begun in FY 1990 is being funded on an annual basis, thus making it highly critical to continue support to facilitate meeting the program goals. In this Initiative, scientists of the State Agricultural Experiment Stations and cooperating Federal agencies use an integrated approach to agricultural production systems research. These field evaluations of the environmental effectiveness and economic feasibility of different combinations of farming methods, that utilize potentially hazardous chemicals, will provide sound justification for changes in production practices.

This research will be in support of the Water Quality Research Implementation Plan in Agriculture, and, as appropriate, will be cooperative with ARS, ES, ERS, SCS, USGS, EPA and other agencies. Information will be generated for immediate application through education and technical assistance programs, and for development of management guidelines in other high-risk contaminant areas. Decisions on priorities for continued or modified research will be made in conjunction with an oversight committee for the Initiative and through evaluation of progress.

Nationwide Grants Initiative (\$7 million). This increase of \$3,347,000 resulting in a total \$7.0 million grants program will produce information from research on selected categories of problems, determined on a regional basis, representing different soil, climate, and crop management conditions throughout the U.S. It is proposed that \$7.0 million be available for awarding competitively with an advantage given for multidisciplinary and interstate or interagency proposals. Understanding and evaluating processes of water contamination requires several years for solution and involves very costly sampling and analytical procedures. Control of land areas through leases is necessary for periods of time adequate to effect

significant movement of chemicals through the soil, or to show meaningful reduction in concentrations. This proposed increase will build on current programs and strengthen CSRS participation in collaborative interagency research on regional and national priorities for water quality.

Awards of research grants will be made to highly qualified scientists conducting research on problems of water quality degradation or enhancement, related to agricultural practices. This research will determine: Reactions of potentially hazardous agricultural chemicals with soils, water, and other chemicals; processes of retention, degradation, and movement of contaminants through soils and substrata to groundwater; improved methods of sampling and analysis; uptake by plants that could result in both the removal of contaminants from the root zone, or their cycling into products potentially harmful to humans; development of prevention and remedial technologies and systems of management that reduce use or impacts of potentially hazardous chemicals; and evaluation of economic and sociological implications of adoption or non-adoption of new systems. These efforts are essential to the success of the USDA Research Plan for Water Quality.

The FY 1989 competitively awarded program of \$1.8 million attracted a large number of high-quality proposals, but the amount of available funding permitted an award rate of about 10 percent. A continued high interest among scientists is necessary to make significant progress on the water quality problem areas. In 1990 the success rate for proposals will be increased some due to the additional funding appropriated. The requested \$7.0 million for the Nationwide Grants Initiative will increase the award success rate to about 25 percent, or 70 grants for the U.S. Because the dollar amount of certain awards should be increased for costly types of research vital to water quality problem solution, the number of high quality proposals that can be funded will still be limited.

- (h) An increase of \$56,000 for the Low Input Sustainable Agriculture Program (\$4,394,000 available in 1990).

Need for Change. This program, first funded in FY 1988, is a partnership of federal agencies, universities, farmers, foundations, and industry. Contributions by project participants have more than equally matched the LISA appropriations each year. Although the program is relatively new, it has already developed reliable information on the feasibility of rotations, biological pest controls, use of green manures, and other farming practices that hold promise of significantly reducing the use of potentially harmful chemical pesticides and fertilizers. The Department of Agriculture, recognizing the need for the development and dissemination of information about these innovative farming systems, places high priority on this program. The increase would allow the Department to continue its leadership role and serve to encourage our partner organizations in the public and private sectors to continue and accelerate efforts to find productive and profitable alternatives to high-chemical farming methods.

Nature of Change. Each year a number of potentially valuable project proposals cannot be funded. With matching contributions, this proposed increase would exceed \$100,000, a sum that could support a new project at one of the regional centers. The additional project activity will be based on merit review of project proposals from farmers and public and private organizations through a regional review process.



- (i) A net increase of \$597,000 for the Supplemental and Alternative Crops Program (\$321,000 available in 1990).

Need for Change. Appropriations for supplemental and alternative crops are used to commercialize agriculturally produced strategic and critical raw materials for development of non-food industrial products and markets. Cooperative projects and programs with private industry, public institutions, and academia are planned and implemented to progressively remove agricultural and industrial barriers which impede the emergence of an agro-industrial system, an economically and technologically rational system from seed production to final product marketing. Generally, the United States is import dependent on these agricultural materials or the materials' manufactured products.

The purpose of the guayule program is to develop a natural rubber industry in the United States. The goal is to produce rubber from guayule that is competitive in price and quality with Hevea rubber. The guayule research and development program is well established and long term with commercialization likely to be five to ten years away under good conditions. Research and development programs have been conducted for less than 16 years, including the research conducted under the emergency rubber program of World War II.

The goal of the crambe/industrial rapeseed program is to commercialize high erucic acid oils from farm to factory. Vegetable oils, high in erucic acid, have special attributes that make unusual raw materials for manufacturing industrial products such as lubricants, surfactants, nylons and coatings. The comprehensive crambe/rapeseed program is three years old and just beginning to impact the production-processing-marketing-consumption system. Oils, acids and other derivatives from crambe and industrial rapeseed will help strengthen the U.S. manufacturing base, diversify agriculture and substitute for foreign imported chemical feedstocks.

Nature of Change. Important research and development will proceed in the Northern and Central Plains states for commercialization of industrial rapeseed and crambe as oil seed sources for high erucic acid at a \$250,000 funding level. It is generally expected that the cooperative crambe/rapeseed program among government, private and academic institutions will result in new commercial product markets and/or substitution for imports within a three to five year period. Resources would be used for public/private partnerships for product and market development; chemical characterization of oils; improving extraction technologies; and agricultural research to improve plant yields, increase oil yields, reduce production costs, and explore meal quality for livestock and poultry feed.

Guayule research will be carried out at a \$668,000 level. Genetics and plant breeding research is producing cultivars with increased rubber concentration, biomass yield, and pest resistance; agronomic research is improving cultivation (seeding, transplanting, irrigation, and harvesting); processing research is improving the storage of the shrub and the extraction of high molecular weight rubber for specification testing and product development; co-products utilization research is discovering new, value-added industrial products made from low molecular weight rubber, water soluble polymers, resins, and bagasse. This research was previously conducted under the Critical Agricultural Materials Act which has expired.

- (j) A decrease of \$30,231,000 for Special Research Grants, \$5,300,000 for Critical Agricultural Materials Act, \$469,000 for Rangeland Research Grants, \$3,703,000 for Aquaculture Centers, and \$3,112,000 for International Trade Development Centers.

Need for Change. These grants programs have concentrated on problems of national and local interest beyond the normal emphasis in the formula programs. The Hatch Act formula and related base funded programs constitute the core of the State-Federal research partnership and, when put together with State funding, provide the basic laboratory facilities, scientists, graduate students, and support necessary for the long term stability of agricultural research. Thus, these base programs become the highest priority of the State-Federal research partnership. Selected high priority special research grant programs will be continued.

Nature of Change. This change will eliminate this specific funding support for selected grant programs. Guayule research formerly conducted under the Critical Agricultural Materials Act which has expired is being requested under the Supplemental and Alternative Crops program. Due to the discretionary nature of the Hatch Act formula and related base funded programs, amounts allotted to State institutions permit the institutions to fund research in those areas that they identify as high priority. This flexibility could provide for maintaining some of the programs if the State institutions wish to continue the research.

- (5) An increase of \$57,479,000 for the National Initiative for Research on Agriculture, Food and the Environment to be funded under the Competitive Research Grants Program (\$42,521,000 available in 1990).

Need for Change.

New Problems and New Tools. Agriculture in the 1990's must provide better stewardship of the environment, more rational use of natural resources, improve the quality and nutrition of food and economically stabilize production systems in order to continue to benefit producers as well as consumers. This Initiative will respond to the major issues facing agriculture such as food safety, water quality, global climate change, pest management, scientific human capital development and farm income and market competitiveness. It will allow U.S. agriculture to broaden the science and technology base to more effectively meet these demanding needs and exploit new opportunities. These imperatives coincide with recent advances in biological science and other new tools in science that present unique research opportunities to improve agriculture nationally. Unfortunately, these new opportunities cannot be fully developed because of serious under-funding for agricultural research.

New Awareness. A recent report from the Board on Agriculture of the National Academy of Sciences' National Research Council (Investing in Research: A Proposal to Strengthen the Agricultural, Food and Environmental Systems) recommends the establishment of this Initiative with new funding of \$500 million per year. The Initiative has evolved as a broad national consensus of USDA research agencies, Federal and state scientists, conservationists, environmentalists, consumers, producers and processors of food and fiber along with related industries. Congruent with this recommendation, the USDA and its cooperators, in its national planning activities, have identified virtually identical national research initiatives that require major funding for the national good.

A National Need. Federal funding for the Initiative is necessary because: (1) the issues and opportunities are national in scope; the nation as a whole is the beneficiary of this effort, not just individual states or industries, (2) the Initiative undertakes research that does not in general

produce specific patentable or marketable products, but knowledge that will be broadly applicable, (3) the need is urgent; the issues described below require action now and cannot be delayed or taken up piecemeal, (4) the health and vigor of a major segment of U.S. industry is at stake in terms of international competitiveness, and (5) there are benefits, although difficult to measure in economic terms; related to protection of the environment and public health.

**New Urgency.** The demands upon agricultural science for new knowledge have far outstripped the capacity for the USDA budget to provide needed leadership to a national agenda. Consequently, critical opportunities are missed, such as the relatively slow applications of biotechnology to agricultural uses; slow development of new crops for greater diversity or crops with improved nutrient composition, safety and post harvest quality; too few projects to use science to improve and/or protect the environment and preserve natural resources and not enough effort to reduce U.S. agricultural production cost or increase product value, which are seen as necessary first steps for increasing farm profitability and America's long term international competitiveness in agriculture.

**Balanced Funding.** The Federal laboratories and State Agricultural Experiment Stations (SAES) have provided the foundation for the development of technology for vastly improving agricultural production. Much of this is done through direct and formula funding which ensures a long-term stable base of support for certain kinds of research known to be important to agriculture. Formula funding also has the unique advantage of several fold leveraging of state support through matching funds. Both intramural programs and national focused State Agricultural Experiment Station programs are important to maintain national thrusts in agricultural research in established laboratories. The overall missions of these intramural programs can be defined and adjusted on a regular basis. Extramural programs, such as the Federal-state partnership of the State Agricultural Experiment Stations and other cooperating institutions provide attention to national, regional and area agricultural problems. Both programs are vitally important to the successful development of agricultural technology.

Present Departmental funding for research provides less than 5 percent for competitive research grants. The proposed Initiative would be a first step in resetting the balance with new funding to eventually reach a significantly greater portion of the total funding for research available from competitive research grants.

**Funding Shortfalls.** As the National Academy of Sciences report points out, "the delivery system -- SAES scientists and Extension specialists and advisors, in combination with government and the private sector...is already unduly stressed and redirection would exacerbate staffing insufficiencies for both CES and SAES." Redirection of resources would do the same to the intramural Federal laboratories. The National Academy of Sciences' report concludes that there is both an overall shortage of funding and a major deficiency in the competitively awarded funds. The Department of Agriculture concurs with this conclusion.

A major infusion of new funding is needed to allow the strengths of each research funding mechanism to do best what each is designed to accomplish. It is not simply a choice of one mechanism over another, but an intended synergy of mechanisms. Each mechanism supports the others through a balanced addressing of the entire spectrum of agricultural research needs.

**Broadened Participation.** It is well accepted that fundamental investigations to support a national research agenda can be effectively achieved through a competitive research grants program. An expanded USDA Competitive Research Grants Program could strengthen the USDA intramural program, since USDA scientists are eligible to compete for the grants. It



would also strengthen the extramural program by extending support to other outstanding scientists to address national agriculture and natural resource problems.

**Benefits.** There will be numerous benefits from this new Initiative including:

- Improved health of all citizens through diet and food safety
- Enhanced stewardship of the environment
- New food and fiber product and process development
- Increased capacity to respond to a changing global environment
- Increased agricultural and natural resource production efficiency
- Increased farm profitability
- Enhanced quality of life in rural communities
- Increased size and diversity of the science base

The Initiative will address important issues in a positive manner:

- because it will be awarded competitively and peer reviewed, intellectual talent not now contributing to the solution of agricultural and natural resource problems will become positive contributors.
- because it will be available to all institutions of higher education, institutions not ordinarily addressing agricultural and natural resource problems will participate.
- because the objectives identified by the research community are issues of needed knowledge, project proposals in defined areas of science will be solicited and competitively awarded.
- because the initiative represents new support for the research community, high-priority areas of social and economic concern can be addressed in a more timely manner than is currently possible.

#### Nature of Change.

**New Funding.** The Initiative calls for a major infusion of new Federal funding for research that addresses a set of societal and industrial issues. It recognizes that there are major untapped opportunities for improving U.S. agriculture and natural resources in modern biological and related sciences, especially in biotechnology and computer sciences, to address the most critical problems.

**Fundamental Support.** Approximately 70 percent of the effort proposed in the Initiative will support fundamental research directed at the most urgent problems. It is from this form of science that major conceptual breakthroughs are expected to emerge. Fundamental research projects will be both individual investigator grants (40 percent) and multidisciplinary team research grants (30 percent). Other forms of grants will be directed at mission-linked multidisciplinary studies (20 percent), as well as institutional strengthening grants (10 percent).

**Individual Investigator Grants** will support individual scientists or investigators working within the same, or closely related, disciplines. Individual investigator grants are the foundation of the highly successful competitive grants program in the United States, and represent the most direct way to attract and retain talented scientists and their students.

**Fundamental Multidisciplinary Team Grants** will support collaborating scientists from two or more disciplines, focusing on basic science or engineering questions. It is often at the juncture of disciplines that new discoveries and research strategies appear.

Mission-linked Multidisciplinary Research Grants will bring early laboratory and field results to practical applications, and facilitate critical linkages with site specific research and extension activities that are already underway.

Institutional Strengthening Grants will build for the future the competitiveness of smaller, less developed institutions, and provide educational support for training future generations of agricultural, environmental and food scientists. The research strengthening grants are also a major way to provide opportunities for women, underrepresented minorities, and disabled individuals in the agricultural research system. The grants are not intended to be used for building or major capital expenditures.

Competitive Funding. Funds will be awarded on a competitive, peer reviewed basis. This form of funding mechanism is uniquely suited to stimulating new research activity in specific, high-priority areas of science and engineering. All public and private universities, research organizations, Federal agencies, private organizations or corporations, and individuals will be eligible to compete for these funds. The Initiative will allow the average amount of USDA competitive research grants to be increased and the average duration to be extended. This will make USDA competitive research grants more comparable in size and length to grants awarded by the National Science Foundation and the National Institutes of Health.

Components. There are four research components proposed in the Initiative to be funded in fiscal year 1991:

Natural Resources and the Environment (\$15 million in 1991). Research activities will be directed into areas that will enhance understanding of agriculture and natural resources management systems and protection of the environment. The contributions of management systems to the degradation of the environment and, conversely, the effects of global climate change on natural resources and agriculture will be more thoroughly researched. Research will include the effects of agriculture on water quality and ways to enhance our water quality and efficient use of water. Sustaining agriculture as an environmentally and economically sound enterprise requires better understanding of the management of the natural resource base upon which agriculture is dependent.

Nutrition, Food Quality and Health (\$5 million in 1991). The Initiative will allow investigation of the relationships of human health to diet and nutrition, and to food quality and safety. Growing consumer expectations for certain types and wholesomeness of food have placed new demands on food production and processing technology.

Plant Systems (\$50 million in 1991). Crop and forest species need redoubled efforts to explain basic biological processes, search for new production systems that are low-input and sustainable and find alternatives for present practices which degrade the environment or are not profitable. The present "reservoir of scientific knowledge" supporting the plant sciences is inadequate for future needs. This knowledge base must be replenished as agricultural science tackles complex problems to allow for more environmentally harmonious, economically viable forest and crop production systems. A fundamental understanding of the biology of forest species is prerequisite to sustaining natural resource productivity, understanding the impact of global change, devising practices that insure the compatibility of natural resources and the environment, and developing sound pest control strategies. An integral part of this research area will be the plant genome mapping program that will decipher the complete set of genetic instructions that guide the development of important food and forest plant species.



Animal Systems (\$30 million in 1991). Animal agriculture includes livestock, poultry and the rapidly emerging industries of aquaculture and non-traditional species. There is a need to find ways to improve the nutritional value and safety of animal products. There also is a need to increase the profitability of animal systems through increased value-added products and decreased costs of production. Moreover, the consequences of animal agriculture on the environment must be reduced through new technology. Proposed research will apply advanced research tools including genome mapping and genetic engineering to understand the mechanisms which control fat deposition, animal disease, and reproduction and use that knowledge to solve production and consumer issues.

To the extent that funds are awarded competitively and not earmarked for special interest purposes, it is proposed that funding for this Initiative be increased by \$50.0 million annually through the outyears. In addition to the four research components that will be funded in 1991, the overall plan identifies two additional components that will be funded in future years. Research on New Products, Processes and Value-Added will allow for development of new agricultural products and processes for added value through manufacturing or bioprocessing that will represent an enormous opportunity for expanding the U.S. trade advantage. The Markets, Trade and Policy research component will help to develop a well-coordinated mixture of policies based on sound scientific principles that will bolster foreign trade.

Support to Existing Departmental Efforts. There are several major interdisciplinary efforts currently supported by the Department that relate to the Initiative. Three examples have been selected to demonstrate how they will be strengthened and expanded by the Initiative.

Global Change (\$9.4 million): The current program on Global Change responds to issues outlined in the Global Change Research Plan prepared by the Committee on Earth Sciences. The USDA component of this plan deals with the impact of global change on agricultural and ecological systems and the impact of these systems on the climate. Several agencies are currently cooperating on this program.

CSRS through special research grants is obtaining accurate measurements of emissions from animal wastes. Studies of methane emissions from wetlands and other poorly drained land areas are underway. CSRS also supports a network of monitoring sites to provide accurate baseline data on the intensity of ultraviolet light and to provide forecasts of changes.

ARS is developing models for agriculture and natural resource management systems which are adaptive to possible global change stresses and also minimize their negative impacts on climate change. Research planned also includes the impact of rising concentration of carbon dioxide on plants, and methane evolution from rice, ruminant animals, and nitrous oxides.

Forest Service research concentrates on the effects of acid deposition on forests, regional scale responses of forest ecosystems to global change including hydrologic systems, wildlife and aquatic life systems as well as the impact of changing fire episodes on managed ecosystems and human communities. This research scope will broaden to include interactions between forests and the atmosphere which affect forest health, diversity, and productivity.

The Initiative will complement these agency programs by supporting a program of basic research consistent with the Committee on Earth Sciences plan. The program will provide understanding of the underlying phenomena of both global change impacts on agriculture and ecological systems and agriculture's contribution to global change. One important aspect of the program is focused on the effects of stratospheric ozone depletion and the resulting increase in ultraviolet (UV-B) light on plant growth and function.

The Initiative will also address fundamental issues associated with agriculture's need to develop energy options for replacement of large amounts of fossil fuel use and the continuing problems of acid rain, ozone impacts and particulates. An example is research to reduce CO<sub>2</sub>. Field crops and forests fix CO<sub>2</sub> and when burned, this CO<sub>2</sub> goes back into the air. However, expanded production of biomass as an energy source sequesters more CO<sub>2</sub> and this is more desirable than continuing to add to the net carbon content of the air by burning fossil fuel materials. Research on the use of membranes to separate ethanol from water is a promising way to reduce the energy cost which now makes the production of ethanol as a fuel thermodynamically undesirable.

The Initiative will address improved physiological, ecological, and genetic response models for reliable predictions of productivity and health of crops and forests ecosystems due to potential changes in climate, gas concentrations, UV-B radiation levels, or air pollution. Mitigation of harmful effects through genetics or agricultural practices will also be facilitated. Companion to the physical and biological aspects of global change, a social science component to consider the human dimensions of global change is also planned.

Plant Genomic Mapping (\$15 million): The Department recently established the Office of Plant Genome Mapping to provide coordination and direction for gene mapping of economically important crops and forest trees. The Office has been established within the Agricultural Research Service (ARS) and a Coordinating Committee has also been established which is co-chaired by representatives from the ARS and the Cooperative State Research Service (CSRS). Their activities will serve to enhance and assure planning and cooperation within the Department, with other Federal agencies, with the academic community and with the private sector. The program will network with genomic mapping activities in the National Institutes of Health, the National Science Foundation, the Department of Energy, the Forest Service, and other agencies as well as internationally. Coinciding with the National Research Initiative, ARS is proposing an increase of \$3.674 million for plant genome research activities in 1991.

Plant genomic mapping is essential to the area of crop and forestry improvement. A comprehensive picture of the economically important genes present in plants, their arrangement and the traits that they control is important to discovering how to improve yield, plant development, nutritional content and ability to resist biotic and abiotic stresses. The discoveries of plant genome research will have wide application of benefit to agriculture well into the twenty-first century. In addition to coordination and direction of research, certain services and resources must be provided to the agricultural research community to assure efficient and effective program development. Computer based data management systems, genetic resources, new technology (particularly in automated sequencing) and fundamental knowledge in physiology and biochemistry are central for success. The Initiative will provide to this program needed resources to support plant genomic mapping. While the task is enormous, the U.S. scientific community must soon begin this effort if we are to remain on the cutting edge of scientific achievements in the plant sciences.

Water Quality (\$4.6 million): Farmers, ranchers and foresters must be provided with information and technical means to independently and voluntarily address concerns for the quality of water resources. This need is now being addressed in part through a multiagency program coordinated by the USDA and State Agricultural Experiment Stations (SAES) as participants, with the U.S. Geological Survey and Environmental Protection Agency in supporting roles. The primary objectives of this multiagency, multidisciplinary program are to determine the relationships between agricultural activities and groundwater quality and to develop and induce the adoption of technically and economically effective chemical management in agricultural production strategies to protect water quality.

Participants within the Department include the the Cooperative State Research Service (CSRS) and Agricultural Research Service (ARS) who, in many instances, are jointly developing and conducting research projects in new and improved farming strategies and decision aids; sampling and analytical methodologies; pesticide degradation; chemical mobility and leaching processes; and other related problem areas of practice adoption and economic feasibility. The Economic Research Service (ERS) is contributing to the project by providing statistically valid agricultural chemical use data in specified regions. The Soil Conservation Service (SCS) and the Cooperative Extension Service (CES) will benefit from the research programs as they service the requirements of their various client groups. The Initiative would complement the existing water quality program by strengthening and expanding activities to fund additional efforts consistent with the USDA Research Plan for Water Quality.

Specific areas to be enhanced are as follows:

- Research should be undertaken that addresses integrated agricultural production practices based on principles that would conserve the quantity and quality of existing water supplies and improve water use efficiency. It would also address the problems of waste management and excess application of agricultural chemicals, degraded water quality, and the contributions of soil erosion, particularly as related to the transport of toxic chemicals.
- It would allow research to develop fundamental knowledge of surface and subsurface water flow in agricultural areas and determine the factors affecting degradation and movement of pollutants in water and soil systems. This would be done through developing basic principles of physics, chemistry, physical chemistry, and biology.
- The Initiative would also allow research into the economic and social impacts and risks of imposing needed management changes, regulations and other strategies for preventing water contamination through efforts to reduce the introduction and transport of chemicals and sediments into ground and surface waters.

It is the Department's desire to provide agricultural producers with the methods to reduce environmental concerns for water quality without restrictive regulation, and in a manner that maintains agricultural productivity. The intention is to avoid economic hardship for individual producers while sustaining an economical and safe supply of food and fiber for consumers. Increased support through the Initiative will accelerate these efforts.

There are many issues that need to be addressed in each of the research areas. The following lists reflect specific areas to be funded in 1991. The proposal guidelines will be prepared to address these issues. However, since the grants will be awarded on a competitive basis, it is not yet known if all of these issues will receive funding in fiscal year 1991. At higher funding levels in future years all research areas would receive funding.

#### Natural Resources and the Environment (\$15 million in 1991)

##### Protecting water quality (\$4.6 million)

- Management practices
- Risk perceptions
- Human health issues
- Contamination prevention
- Fate/movement control



Understanding impacts of global change (\$9.4 million)

- Sustaining ecosystems
- Predicting change
- Management systems
- Physiological processes

Sustaining agriculture (\$1 million)

- Environmental quality
- Soil-water management
- Irrigation and drainage
- Ecosystem productivity

Nutrition, Food Quality and Health (\$5 million in 1991)

Insuring the safety and stability of consumer foods

- Methods of detection
- Sources of contamination
- Biodegradable preservation systems
- Improved processing and packaging
- Food safety impacts
- Genetic alteration
- Risk assessment
- New products

Optimum health through improved nutrition

- Premature birth incidence
- Life-span factors
- Immune function effects
- Carcinogens
- Nutrition surveillance
- Nutrient interaction
- Obesity evaluation
- Dietary atherogenicity
- Biological interactions
- Nutrient needs
- Relationships to disease
- Nutrient composition
- Bioavailability

Molecular and cellular basis of human nutrition

- Gene expression
- Nutrient uptake
- Nutrient-cellular interactions
- Nutrient status indicators
- Nutritional requirements
- Genetically engineered foods

Plant Systems (\$50 million in 1991)

Safe and effective management of pests

- Pest/resistance genes
- Plant transformation systems
- Resistance screening
- Control strategies
- Integrated pest management
- Pest management strategies
- Risk assessment/communication
- Biological control agents
- Molecular biology techniques
- Ecological impacts

Genetic enhancement of plants

- Plant traits
- Genomic mapping (\$15 million)
- Gene insertion technology
- Expression and introduction of genes
- Germplasm preservation

Animal and plant integrated production systems

- New technology impacts
- Production decision models
- Enterprise management
- Computer based/methodical modeling approaches

Animal Systems (\$30 million in 1991)

Controlling composition and nutritional quality of animal products

- Human nutrition guidelines
- Rate determining steps
- Genetic mechanisms
- Management systems
- Socioeconomic impacts

Animal health and well-being

- Pathogenesis of diseases
- Immunogenetics techniques
- Disease resistance genes
- Gene regulation and expression
- Diagnostic testing
- Animal well-being

Understanding the biology of animal production and performance

- Reproductive performance
- Fertility improvements
- Growth factors
- Nutrient intake
- Metabolic disorders
- Management techniques
- Early pregnancy recognition

Genome enhancement of animal efficiency

- Genomic mapping
- Genetic engineering
- New gene insertions
- Marker genes
- Germplasm preservation
- Gene therapy

Range and pasture-based animal systems

- Habitat requirements
- Ecological/biological consequences
- Alternative grazing systems
- Complimentary uses
- Physiological/biochemical basis
- Integrated grazing strategies
- Marketing
- Air/water quality

In addition to the program areas that will be supported at the \$100 million level, the overall plan will support funding for many other research areas including conservation and efficient use of water, sustaining natural resource productivity, land and wildlife management, development of new processing technologies and added value, rural community and economic development, and international markets and trade. The research agenda for the Initiative is both extensive and intensive. The needs for the research are enormous and the



opportunities are at hand. The Initiative is a bold step forward to provide the scientific basis to assure agricultural productivity for future generations in ways that are compatible with the environment, safe for the consumer and viable for the producer.

- (6) A decrease of \$5,407,000 for Animal Health and Disease Research, Section 1433, P.L. 95-113 (\$5,407,000 available in 1990).

Need for Change. The Animal Health and Disease Research program has provided funds on a formula basis for livestock and poultry disease research at accredited colleges of veterinary medicine and State Agricultural Experiment Stations. For the purpose intended, this is not the most desirable mechanism for program delivery and the types of research formerly conducted under this program may be continued under the expanded Animal Systems component of the National Research Initiative. The National Research Initiative will better target funds to projects of highest scientific merit and most closely tied to national priorities.

Nature of Change. This change will eliminate formula funding for this program. Animal health and disease research is being conducted in other ongoing Federal and State research programs. The CSRS animal health research previously conducted under this formula program, as well as under the Special Research Grants program, may be continued under the Animal Systems component of the National Research Initiative. A consolidated animal health program will provide a focus for innovative approaches to solving fundamental problems in animal health and disease in food and fiber animals.

- (7) A net decrease of \$1,097,000 for Federal Administration (direct appropriation) (\$13,336,000 available in 1990) consisting of:

- (a) A decrease of \$3,195,000 for the Gulf Coast shrimp aquaculture project. Prior funding has supported the initial development of this project. Emphasis is placed on high priority national interest programs in the 1991 CSRS budget.
- (b) A decrease of \$617,000 for curriculum development and strengthening at Mississippi Valley State University. Prior funding has supported the initial development of this project. Emphasis is placed on high priority national interest programs in the 1991 CSRS budget.
- (c) A decrease of \$741,000 for the Center for Agricultural and Rural Development in Iowa. Prior funding has supported the initial development of this project. Emphasis is placed on high priority national interest programs in the 1991 CSRS budget.
- (d) A decrease of \$494,000 for the geographic information system pilot program. Prior funding has supported the initial development of this project. Emphasis is placed on high priority national interest programs in the 1991 CSRS budget.
- (e) A decrease of \$1,687,000 for water quality research in Illinois, Iowa and North Dakota. Prior funding has supported the initial development of these projects. Funding is requested for water quality under the Special Research grants program, as part of the Federal government's water quality initiative, and these States may compete for these funds.
- (f) A decrease of \$568,000 for the Office of Grants and Program Systems (OGPS). The requested funding level is consistent with related program funding requests.

- (g) An increase of \$278,000 for the Office of Agricultural Biotechnology (OAB). The U. S. Department of Agriculture recognizes that the science of biotechnology holds great promise for improving the quality and availability of our food and fiber supplies, maintaining our position in the international marketplace, and enhancing our natural resources. In order to assure program coordination and operational efficiency, the Office of Agricultural Biotechnology has been established. The OAB has primary responsibility for coordinating the Department's policies and procedures pertaining to all facets of agricultural biotechnology. As biotechnology-related programs continue to grow within USDA and other Federal agencies, interagency coordination will become more crucial. It is important for USDA to assure that Federal, academic, and industrial biotechnology activities are subject to the same or closely comparable standards of research and product safety review. The functions of the OAB are to coordinate biotechnology activities within USDA, to develop biotechnology review procedures where they are needed, to assist in the development of USDA biotechnology research guidelines and review procedures to help assure the biosafety of agricultural biotechnology research, to provide staff support for biotechnology committees, and to develop selected information registries of biotechnology activities. The 1991 Request includes \$500,000 for the operating costs of the OAB. The activities of the OAB will help USDA to provide mechanisms by which the scientific community can provide adequate guidance to individual investigators in evaluating the safety of planned introductions of bioengineered organisms into agricultural ecosystems. At the same time, it should help to build public confidence that agricultural research involving biotechnology is being conducted in a manner that is compatible with both human health and the environment. The OAB staff receives many requests to support and participate in biotechnology related meetings, symposia, workshops, and conferences.
- (h) An increase of \$65,000 for the Agriculture in the Classroom program. In order to educate, inform, and bring about a better appreciation and understanding of American agriculture among the nation's young people, USDA established the "Ag in the Classroom" program. Administrative responsibility for the "Ag in the Classroom" program has been assigned to the Assistant Secretary for Science and Education. The 1991 Request includes \$200,000 for the operating costs of this program.
- (i) An increase of \$153,000 for peer panel costs. Cooperative State Research Service uses the peer panel review process to evaluate proposals submitted under the National Research Initiative, the Special Research Grants program, the Higher Education programs and the Small Business Innovation Research program. This request provides for the increased cost of travel and honorarium for the peer panel members.
- (j) An increase of \$139,000 which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (k) An increase of \$5,570,000 for the 1890 Institutions Capacity Building Grants program (\$5,430,000 available in 1990).

Need for Change: There is an urgent need to train more minority scientists and professionals to serve the Nation's food and agricultural system. The 1890 land-grant institutions and Tuskegee University are major producers of this sorely needed human capital. A recently completed facilities improvement program has funded construction of modern research labs at the 1890 institutions and Tuskegee University. Yet, there remains a need to develop improved linkages with Federal agencies, other universities, and private

organizations to strengthen research and teaching programs in national priority issues. The Federal initiative serves the need to broaden collaboration among these key institutions, other universities, and the private sector in order to mainstream the development of minority expertise.

Nature of Change. The 1890 Institutions Capacity Building Grants Program serves as the crux of the Department's high priority initiative to advance the teaching and research capacity of the 1890 institutions and Tuskegee University. It differs from the earlier 1890 Strengthening Grants Program in that it is competitive and beginning in 1991 will require dollar-for-dollar matching funds from non-Federal sources. It also requires cooperation with one or more USDA agencies in developing a proposal and in implementing and carrying out the capacity building project. Projects concerning research activities must address a high-priority research initiative in an area where there is a shortage of capabilities and/or in which it is feasible for the applicant to develop a program recognized for its excellence. Projects concerning teaching programs must focus on a targeted need where it can be demonstrated that there is a national need for future graduates, there is not an excess of academic programs available in the area and particularly in the geographic area served by the school, and/or the outcome of the project will strengthen the applicant institution and holds potential for strengthening other colleges and universities.

- (8) A net increase of \$112,000 for higher education (\$8,738,000 available in 1990) consisting of:

- (a) An increase of \$1,184,000 for Higher Education - Pre-doctoral Graduate Training Grants (\$2,816,000 available in 1990).

Need for Change. The training of food and agricultural scientists is being impeded by a variety of factors. Consequently, the U. S. is producing only 1,000 doctoral degrees annually in agriculture and natural resources and more than a third of these are earned by foreign students who return to their native country subsequent to graduation. Only about 14 U. S. citizen Ph.D's per state per year are being produced. The bottom line is that U. S. higher education programs in the food and agricultural sciences lack the opportunities and competitive posture available to other disciplines such as engineering, health sciences, and computer sciences for recruiting and training academically outstanding students.

The USDA National Needs Graduate Training Grants Program, initiated in 1984, has achieved a notable record and is proving to be an important part of the solution to the serious erosion of our food and agricultural scientific expertise. The 420 fellows supported by the program to date are characterized by superior intellectual and scholarly competence. The average Graduate Record Examination score for doctoral fellows is 1,300 and 1,050 for master's fellows. The topics chosen by fellows include studies in molecular biology, plant biotechnology, animal disease, water management, nutritional sciences, international marketing, and systems management. The quality of scientific expertise emanating from this program promises to be outstanding and strongly attests to the value of a cooperative partnership between the higher education system, the USDA, and the Congress.

Nature of Change. Total funds requested will support the recruitment and three years of training for approximately 65 academically outstanding doctoral students (U. S. citizens) in targeted specializations characterized by shortages of expertise.



About 30 master's fellows (also U. S. citizens) will be recruited and supported for two years of study, thereby enabling the 1890 institutions to compete for grants under the program. Program regulations will require that part of the fellowships be awarded to minority fellows. No other program specifically targets support for training minority master's and doctoral students in the food and agricultural sciences.

- (b) An increase of \$1,013,000 for Higher Education - Institution Challenge Grants (\$987,000 available in 1990).

Need for Change. The nation's colleges of agriculture and natural resources are the predominant producers of scientists, professionals, and managers with food and agricultural expertise. They offer the greatest potential for the future development of sophisticated agricultural mindpower. Yet, they are losing ground daily due to a multitude of problems. Efforts must be taken to revitalize these educational programs which are primarily responsible for the development of future generations of food and agricultural scientific and professional expertise. An expanded Federal initiative to strengthen these higher education programs, comparable to highly successful Federal initiatives on behalf of other science and engineering disciplines, is sorely needed.

Nature of Change. This increase is proposed for the competitive Institution Challenge Grants Program which requires non-Federal matching funds. The program is designed to ameliorate targeted national problems, such as inadequate minority and female participation, which are enervating the U. S. food and agricultural sciences higher education system and which transcend the capacity of individual institutions to resolve. The program is designed to foster partnership ventures that include:

- o Curricula revitalization -- biotechnology, agribusiness management, systems analysis and problem solving, ethics and public policy, communications, leadership development, etc.
- o Faculty development -- shared faculty appointments between institutions or the private sector, sabbaticals, etc.
- o Scientific instrumentation for teaching -- mobile laboratories with highly specialized equipment, satellite access to industry and government laboratories, etc.
- o Undergraduate research -- formally introduce undergraduate students to empirical research methodologies and require students to design and manage the scientific pursuit of basic and applied knowledge.
- o Student recruitment and retention -- multiuniversity and/or regional media campaigns, outreach programs with high school science classes, specialized workshops for recruitment personnel, and development of career information tailored for special populations such as Hispanics and blacks.

- (c) A decrease of \$1,878,000 for Higher Education - 1890 Strengthening Grants (\$1,878,000 available in 1990).

Need for Change. The need for qualified minority scientists and professionals to serve the Nation's food and agricultural system is so great that a more comprehensive program is proposed. The 1890 Institutions Capacity Building Grants program incorporates and expands on the opportunities previously available under the 1890 Strengthening Grants Program.

Nature of Change. In 1991 no funding is proposed for the 1890 Strengthening Grants Program. The 1890 Institutions Capacity Building Grants Program subsumes and greatly broadens the impact of the original 1890 Strengthening Grants Program. This program is competitive, will require non-Federal matching funds, and opens up a broader arena of initiatives aimed at improving the quality of food and agricultural sciences teaching and research programs at the 1890 Colleges and Universities and Tuskegee University.

- (d) An increase of \$40,000 for the Morrill-Nelson program (\$2,810,000 available in 1990).

Need for Change. The Federal government has supported higher education in the food and agricultural sciences at land-grant institutions through a permanent appropriation in the Second Morrill Act of 1890. The funding level has remained at the \$50,000 level for each State and territory since 1912.

Nature of Change. This program was reduced by \$40,000 in 1990 due to the Omnibus Reconciliation Act of 1989. This increase will allow the 57 States and territories to receive the full \$50,000 authorized by the permanent appropriation. However, legislation is being proposed to eliminate the authorization for the Morrill-Nelson permanent appropriation.

- (e) A decrease of \$247,000 for the Aquaculture Vocational Agriculture Curriculum Program (\$247,000 available in 1990). Prior funding has supported the initial development of this project. Emphasis is placed on high priority national interest programs in the 1991 CSRS budget.



## SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Development Act, Public Law 97-219, July 22, 1982, as amended by Public Law 99-443, October 6, 1986, was designed to strengthen the role of small, innovative firms in Federally funded research and development. It directs that small firms receive at least a fixed minimum percentage of research and development awards made by Federal agencies with sizable research and development budgets. Beginning in fiscal year 1986, and all subsequent fiscal years, 1.25 percent of an agency's extramural research budget is set aside for purposes of the SBIR Act.

| <u>Agency</u>                              | <u>FY 1989<br/>Actual</u> | <u>FY 1990<br/>Estimate</u> | <u>FY 1991<br/>Estimate</u> |
|--------------------------------------------|---------------------------|-----------------------------|-----------------------------|
| Agricultural Cooperative Service .....     | \$3,125                   | \$1,000                     | - -                         |
| Agricultural Research Service .....        | 175,000                   | 175,000                     | \$175,000                   |
| Cooperative State Research Service .....   | 3,666,362                 | 3,830,788                   | 3,972,175                   |
| Economic Research Service .....            | 12,500                    | 6,925                       | 6,925                       |
| Forest Service .....                       | 58,750                    | 59,840                      | 60,625                      |
| Human Nutrition Information Service .....  | 26,375                    | 30,000                      | 30,000                      |
| National Agricultural Statistics Service . | 3,400                     | 2,538                       | 2,538                       |
| Total .....                                | <u>3,945,512</u>          | <u>4,106,091</u>            | <u>4,247,263</u>            |

The functions of the SBIR program, the solicitation, review and evaluation of proposals have been centralized in order to most effectively and efficiently serve the SBIR community. Six research topic areas have been established:

1. Forests and Related Resources. Proposals were solicited to develop environmentally sound techniques to increase productivity of forest land and to increase the utilization of materials and resources from forest lands.
2. Plant Production and Protection. Research proposals were solicited to examine means of enhancing crop production by reducing the impact of destructive agents, developing effective crop systems that are economically and environmentally sound, enhancing the impact of new methods of plant manipulation, and developing new crop plants and new uses for existing crops.
3. Animal Production and Protection. Research proposals were solicited to find ways to enable producers of food animals to increase production efficiency and to assure a reliable and safe supply of animal protein and other animal products while conserving resources and reducing production costs.
4. Air, Water and Soils. Research proposals were solicited to develop technologies for conserving soil, water and air resources while sustaining optimum agricultural productivity.
5. Food Science and Nutrition. Research proposals were solicited to develop new knowledge and a better understanding of the characteristics of foods and their nutritional impact; to apply new knowledge to improve our foods and diets; and to apply new knowledge to the production of useful new food products, processes, materials, and systems.
6. Rural and Community Development. Research proposals were solicited to promote, foster, or improve the well-being of rural Americans.

Current Activities. In response to the September 1, 1988, deadline announced in the Federal Register, the Department of Agriculture received 309 Phase I proposals from small businesses that had innovative approaches to solve problems in U.S. agriculture. On February 1, 1989, 20 Phase II proposals were submitted by small businesses that had previously received Phase I awards. The agency contributions were pooled and grants were made without regard to the funding

source. The proposals were peer reviewed and many high quality applications were identified. With the funds available for the program 39 awards (26 Phase I awards and 13 Phase II awards) could be made. A summary for fiscal year 1989 follows:

| <u>Program Area</u>               | <u>Number of<br/>Proposals<br/>Received</u> | <u>Amount<br/>Requested</u> | <u>Number<br/>of Grants<br/>Awarded</u> | <u>Amount of<br/>Awards</u> |
|-----------------------------------|---------------------------------------------|-----------------------------|-----------------------------------------|-----------------------------|
| Forest and Related Resources .... | 49                                          | \$3,160,240                 | 8                                       | \$889,887                   |
| Plant Production and Protection . | 82                                          | 5,310,227                   | 12                                      | 1,278,074                   |
| Animal Production and Protection. | 84                                          | 4,688,885                   | 8                                       | 712,596                     |
| Air, Water and Soils .....        | 28                                          | 1,645,179                   | 2                                       | 99,960                      |
| Food Science and Nutrition .....  | 35                                          | 1,882,087                   | 4                                       | 364,995                     |
| Rural and Community Development . | 51                                          | 3,336,931                   | 5                                       | 600,000                     |
| Total .....                       | 329                                         | 20,023,549                  | 39                                      | 3,945,512                   |

#### Selected Examples of Recent Progress:

Forests and Related Resources. Many of our timber resources are located in rugged terrain where cable logging systems need to be used to harvest the trees in an environmentally sound fashion. The cables have to be securely anchored and in many cases the only place to anchor them is directly in bed rock. A Massachusetts company has developed a seismic technique to permit an accurate prediction of the ability of the rock to hold an anchor. Such information will indicate how many anchors are needed and how deep they have to be placed to provide a secure foundation for the cable system. This technology will permit the safe harvesting of timber resources that are presently unavailable because of the difficult terrain.

Plant Production and Protection. There is a great need for environmentally sound control strategies for major insect pests. Potentially one of the most effective biocontrol approaches is to utilize entomogenous nematodes that attack and destroy a wide range of insect pests. A firm in California is working to develop procedures for the mass production of entomogenous nematodes and for their desiccation to permit successful long term storage. If these efforts are successful it will be possible to develop control strategies that utilize entomogenous nematodes as an important component.

Animal Production and Protection. There is growing interest in the improvement of the efficiency of livestock production. Feed costs represent the largest component in the total cost of livestock production. Water consumption may influence feed intake and efficiency of production. A Tennessee company is developing an automatic system for monitoring water consumption in individual animals. This information will prove valuable to animal research and will help improve the efficiency of livestock production.

Air, Water and Soils. Developing methods to improve the efficiency of water use in irrigation is very important. Systems that use manually operated irrigation valves are manpower intensive and wasteful in terms of water loss. A firm in Washington is developing a radio telemetry control system that will permit remote control of individual irrigation valves from a central location by one operator. The irrigation valves will be self-cleaning and have very low power requirements. This technology is expected to lead to a substantial improvement in water use efficiency and a reduction in manpower and operating costs.

Food Science and Nutrition. The food processing industry has to meet stringent quality control criteria to produce products that are safe and meet consumer needs. A Virginia company is testing the feasibility of using a microwave system to detect variations in fat and moisture content, and the presence of bones or other foreign objects in processed foods. Most current inspection systems can only evaluate surface properties of foods, while microwave detectors have the ability to detect objects buried in the food. This technology offers

the promise of increasing the reliability of food-processing operations and leading to improved food safety.

Rural and Community Development. Many people in rural areas have varying degrees of educational deficiencies and consequently have difficulty securing permanent employment. For these people it is very difficult to learn a new skill just by reading due to their poor reading ability. A North Carolina business is attempting to address this problem by developing an interactive laserdisc system that combines video, audio and text in a package that is much easier for these people to absorb. The company is developing programs on micro-business development and will offer these programs to the target audience through the North Carolina Community College System. Application of interactive laserdisc technology to the problem of educationally disadvantaged people in rural areas has great promise for improving economic opportunities for these people.

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TABLE 1

DISTRIBUTION OF FEDERAL PAYMENTS FOR RESEARCH AND EDUCATION AT STATE AGRICULTURAL  
EXPERIMENT STATIONS AND OTHER STATE INSTITUTIONS - FISCAL YEAR 1989

| STATE                      | HATCH ACT, AS AMENDED |                      | TOTAL     | COOP.<br>FORESTRY<br>RESEARCH<br>(W-S) | 1890<br>COLLEGES &<br>TUSKEGEE<br>UNIVERSITY | ANNUAL<br>HEALTH &<br>DISEASE<br>RESEARCH | SPECIAL<br>RESEARCH<br>GRANTS | COMPETITIVE<br>RESEARCH<br>GRANTS | HIGHER<br>EDUCATION<br>GRANTS | FEDERAL<br>ADMIN.<br>(DIRECT<br>APPROP.) | RESEARCH<br>FACILITIES | TOTAL<br>FEDERAL<br>FUNDS |
|----------------------------|-----------------------|----------------------|-----------|----------------------------------------|----------------------------------------------|-------------------------------------------|-------------------------------|-----------------------------------|-------------------------------|------------------------------------------|------------------------|---------------------------|
|                            | REGULAR<br>FORMULA    | REGIONAL<br>RESEARCH |           |                                        |                                              |                                           |                               |                                   |                               |                                          |                        |                           |
| ALABAMA .....              | 2,640,008             | 725,011              | 3,365,019 | 569,443                                | 2,742,916                                    | 110,726                                   | 607,085                       | 100,000                           | 254,994                       | 0                                        | 0                      | 7,750,183                 |
| ALASKA .....               | 712,245               | 123,458              | 835,703   | 351,541                                | 0                                            | 11,987                                    | 5,000                         | 0                                 | 50,000                        | 0                                        | 0                      | 1,254,181                 |
| AMERICAN SAMOA .....       | 290,000               | 0                    | 290,000   | 0                                      | 0                                            | 0                                         | 0                             | 0                                 | 50,000                        | 0                                        | 0                      | 340,000                   |
| ARIZONA .....              | 982,738               | 652,786              | 1,635,524 | 242,590                                | 0                                            | 59,201                                    | 209,526                       | 1,354,000                         | 50,000                        | 0                                        | 0                      | 3,550,841                 |
| ARKANSAS .....             | 2,266,340             | 635,403              | 2,901,743 | 482,282                                | 1,202,099                                    | 73,641                                    | 2,156,144                     | 200,000                           | 152,497                       | 0                                        | 194,000                | 7,362,346                 |
| CALIFORNIA .....           | 2,943,142             | 1,359,905            | 4,303,047 | 525,862                                | 0                                            | 385,413                                   | 3,090,470                     | 5,403,400                         | 434,000                       | 0                                        | 0                      | 14,142,192                |
| COLORADO .....             | 1,326,056             | 986,140              | 2,262,196 | 286,170                                | 0                                            | 241,605                                   | 709,626                       | 384,000                           | 194,000                       | 0                                        | 0                      | 4,077,597                 |
| CONNECTICUT .....          | 1,116,029             | 426,084              | 1,542,063 | 188,115                                | 0                                            | 22,604                                    | 362,017                       | 90,000                            | 50,000                        | 0                                        | 0                      | 2,254,799                 |
| DELAWARE .....             | 770,043               | 318,690              | 1,088,733 | 100,953                                | 472,233                                      | 18,703                                    | 124,000                       | 200,000                           | 152,496                       | 0                                        | 0                      | 2,157,118                 |
| DISTRICT OF COLUMBIA ..... | 387,208               | 92,009               | 479,217   | 0                                      | 0                                            | 0                                         | 0                             | 100,000                           | 152,497                       | 0                                        | 0                      | 731,714                   |
| FLORIDA .....              | 1,857,696             | 589,344              | 2,447,040 | 471,387                                | 965,735                                      | 166,954                                   | 1,330,192                     | 1,744,000                         | 296,496                       | 0                                        | 582,000                | 8,008,804                 |
| GEORGIA .....              | 2,996,531             | 1,028,061            | 3,964,592 | 580,338                                | 1,513,303                                    | 139,799                                   | 1,653,898                     | 1,000,000                         | 152,497                       | 0                                        | 452,990                | 9,457,417                 |
| HAWAII .....               | 614,366               | 105,712              | 720,078   | 0                                      | 0                                            | 0                                         | 223,550                       | 0                                 | 50,000                        | 0                                        | 0                      | 998,628                   |
| IDAHO .....                | 767,054               | 331,022              | 1,098,076 | 122,744                                | 0                                            | 7,992                                     | 2,899,019                     | 0                                 | 50,000                        | 1,983,746                                | 48,500                 | 6,160,077                 |
| ILLINOIS .....             | 1,242,525             | 526,665              | 1,769,190 | 384,226                                | 0                                            | 67,440                                    | 606,756                       | 0                                 | 50,000                        | 0                                        | 0                      | 2,877,612                 |
| INDIANA .....              | 3,713,518             | 868,361              | 4,581,879 | 253,484                                | 0                                            | 163,163                                   | 632,236                       | 2,435,000                         | 272,440                       | 0                                        | 242,500                | 8,580,702                 |
| IOWA .....                 | 3,388,236             | 731,854              | 4,120,090 | 307,951                                | 0                                            | 100,047                                   | 1,810,571                     | 1,165,257                         | 338,000                       | 0                                        | 0                      | 7,841,926                 |
| KANSAS .....               | 3,541,169             | 1,331,208            | 4,872,377 | 155,429                                | 0                                            | 275,358                                   | 3,390,346                     | 980,000                           | 50,000                        | 1,628,387                                | 1,980,300              | 13,282,197                |
| KENTUCKY .....             | 2,167,762             | 672,847              | 2,840,609 | 166,324                                | 0                                            | 169,149                                   | 1,271,084                     | 440,000                           | 50,000                        | 0                                        | 1,358,000              | 6,295,166                 |
| LOUISIANA .....            | 3,439,140             | 726,029              | 4,165,169 | 362,436                                | 1,720,917                                    | 90,699                                    | 469,214                       | 711,000                           | 152,496                       | 0                                        | 0                      | 7,671,991                 |
| MAINE .....                | 2,095,614             | 599,764              | 2,695,378 | 504,073                                | 1,098,367                                    | 89,928                                    | 504,709                       | 472,334                           | 152,497                       | 0                                        | 0                      | 5,517,286                 |
| MARYLAND .....             | 1,090,537             | 444,085              | 1,534,572 | 48,178                                 | 0                                            | 16,254                                    | 332,121                       | 120,000                           | 50,000                        | 0                                        | 0                      | 2,546,125                 |
| MASSACHUSETTS .....        | 1,508,294             | 558,708              | 2,067,002 | 209,905                                | 808,585                                      | 45,714                                    | 388,846                       | 1,447,000                         | 248,496                       | 0                                        | 0                      | 5,210,548                 |
| MICHIGAN .....             | 1,318,901             | 545,374              | 1,864,275 | 231,695                                | 0                                            | 42,211                                    | 966,909                       | 513,898                           | 50,000                        | 0                                        | 0                      | 3,668,988                 |
| MINNESOTA .....            | 3,419,929             | 770,604              | 4,190,533 | 514,968                                | 0                                            | 97,995                                    | 4,597,261                     | 1,399,410                         | 338,000                       | 0                                        | 1,212,500              | 12,350,607                |
| MISSISSIPPI .....          | 290,000               | 0                    | 290,000   | 0                                      | 0                                            | 0                                         | 0                             | 0                                 | 50,000                        | 0                                        | 0                      | 340,000                   |
| MISSOURI .....             | 3,335,073             | 862,633              | 4,197,706 | 416,912                                | 0                                            | 171,485                                   | 655,516                       | 886,442                           | 50,000                        | 0                                        | 0                      | 6,328,061                 |
| MONTANA .....              | 2,739,757             | 733,158              | 3,472,915 | 558,548                                | 1,420,528                                    | 69,522                                    | 5,632,515                     | 0                                 | 152,497                       | 1,298,250                                | 388,000                | 12,987,775                |
| NEBRASKA .....             | 3,221,817             | 686,058              | 3,907,875 | 340,646                                | 1,617,000                                    | 171,223                                   | 567,004                       | 1,025,012                         | 152,497                       | 0                                        | 0                      | 7,781,257                 |
| NEVADA .....               | 1,175,468             | 576,397              | 1,751,865 | 373,331                                | 0                                            | 79,449                                    | 161,286                       | 158,000                           | 50,000                        | 0                                        | 48,500                 | 2,622,431                 |
| NEW HAMPSHIRE .....        | 2,003,094             | 778,529              | 2,781,623 | 133,639                                | 0                                            | 177,438                                   | 1,457,794                     | 648,545                           | 98,000                        | 0                                        | 242,500                | 5,539,539                 |
| NEW JERSEY .....           | 704,250               | 315,590              | 1,019,840 | 57,373                                 | 0                                            | 23,276                                    | 5,000                         | 323,000                           | 50,000                        | 0                                        | 0                      | 1,478,489                 |
| NEW MEXICO .....           | 879,926               | 319,357              | 1,199,283 | 275,275                                | 0                                            | 9,698                                     | 5,000                         | 100,000                           | 50,000                        | 0                                        | 0                      | 1,639,256                 |
| NEW YORK .....             | 1,236,606             | 1,009,383            | 2,305,989 | 177,219                                | 0                                            | 21,747                                    | 753,828                       | 558,000                           | 194,000                       | 0                                        | 242,500                | 4,253,283                 |
| NORTH CAROLINA .....       | 1,014,624             | 347,227              | 1,361,851 | 220,800                                | 0                                            | 38,618                                    | 630,823                       | 0                                 | 50,000                        | 0                                        | 0                      | 2,302,092                 |
| NORTH DAKOTA .....         | 3,284,212             | 1,334,924            | 4,619,136 | 498,177                                | 0                                            | 297,041                                   | 1,253,772                     | 3,605,998                         | 146,000                       | 0                                        | 0                      | 10,415,064                |
| .....                      | 4,464,299             | 1,039,660            | 5,503,959 | 547,653                                | 2,184,915                                    | 111,112                                   | 241,535                       | 504,000                           | 392,497                       | 0                                        | 0                      | 9,485,671                 |
| .....                      | 1,488,516             | 516,964              | 2,005,480 | 68,268                                 | 0                                            | 55,690                                    | 2,781,168                     | 0                                 | 50,000                        | 0                                        | 4,592,950              | 9,553,556                 |





**Table 2**  
**Payments to State Agricultural Experiment Stations under the Hatch Act**

|                       | FY 1989 Actual     |                      |                    | FY 1990 Estimate   |                      |                    | FY 1991 Est.       |
|-----------------------|--------------------|----------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| State                 | Regular<br>Formula | Regional<br>Research | Total              | Regular<br>Formula | Regional<br>Research | Total              | Regular<br>Formula |
| Alabama .....         | \$2,640,008        | \$725,011            | \$3,365,019        | \$2,633,184        | \$719,464            | \$3,352,648        | \$2,682,050        |
| Alaska .....          | 712,245            | 123,458              | 835,703            | 710,245            | 122,753              | 832,998            | 724,566            |
| American Samoa:       | 290,000            | 0                    | 290,000            | 591,918            | 0                    | 591,918            | 604,408            |
| Arizona .....         | 982,738            | 652,786              | 1,635,524          | 979,843            | 649,060              | 1,628,903          | 1,000,573          |
| Arkansas .....        | 2,266,340          | 635,403              | 2,901,743          | 2,260,000          | 630,542              | 2,890,542          | 2,305,395          |
| California ...        | 2,943,142          | 1,359,905            | 4,303,047          | 2,933,323          | 1,340,388            | 4,273,711          | 3,003,632          |
| Colorado .....        | 1,326,056          | 936,140              | 2,262,196          | 1,321,911          | 930,385              | 2,252,296          | 1,351,589          |
| Connecticut ..        | 1,116,029          | 426,034              | 1,542,063          | 1,112,826          | 424,621              | 1,537,447          | 1,135,761          |
| Delaware .....        | 770,043            | 318,690              | 1,088,733          | 767,770            | 321,551              | 1,089,321          | 784,042            |
| Dist. of Col. :       | 387,208            | 92,009               | 479,217            | 473,334            | 91,702               | 565,036            | 485,416            |
| Florida .....         | 1,857,696          | 589,344              | 2,447,040          | 1,851,559          | 571,934              | 2,423,493          | 1,895,502          |
| Georgia .....         | 2,936,531          | 1,028,061            | 3,964,592          | 2,927,947          | 1,018,054            | 3,946,001          | 2,989,412          |
| Guam .....            | 614,366            | 105,712              | 720,078            | 612,543            | 105,109              | 717,652            | 625,595            |
| Hawaii .....          | 767,054            | 331,022              | 1,098,076          | 764,999            | 329,133              | 1,094,132          | 779,712            |
| Idaho .....           | 1,242,525          | 526,665              | 1,769,190          | 1,238,419          | 511,729              | 1,750,148          | 1,267,821          |
| Illinois .....        | 3,713,518          | 868,361              | 4,581,879          | 3,700,976          | 864,485              | 4,565,461          | 3,790,784          |
| Indiana .....         | 3,388,236          | 731,854              | 4,120,090          | 3,376,412          | 728,586              | 4,104,998          | 3,461,074          |
| Iowa .....            | 3,541,169          | 1,331,208            | 4,872,377          | 3,528,370          | 1,343,046            | 4,871,416          | 3,620,013          |
| Kansas .....          | 2,167,762          | 672,847              | 2,840,609          | 2,160,638          | 669,842              | 2,830,480          | 2,211,647          |
| Kentucky .....        | 3,439,140          | 726,029              | 4,165,169          | 3,428,354          | 720,476              | 4,148,830          | 3,505,578          |
| Louisiana .....       | 2,095,614          | 599,764              | 2,695,378          | 2,089,914          | 595,175              | 2,685,089          | 2,130,728          |
| Maine .....           | 1,090,537          | 444,035              | 1,534,572          | 1,087,327          | 443,988              | 1,531,315          | 1,110,312          |
| Maryland .....        | 1,508,294          | 558,708              | 2,067,002          | 1,503,907          | 556,856              | 2,060,763          | 1,535,319          |
| Massachusetts:        | 1,318,901          | 545,374              | 1,864,275          | 1,315,087          | 543,564              | 1,858,651          | 1,342,399          |
| Michigan .....        | 3,419,929          | 770,604              | 4,190,533          | 3,408,747          | 767,164              | 4,175,911          | 3,488,810          |
| Micronesia ...        | 290,000            | 0                    | 290,000            | 620,862            | 0                    | 620,862            | 634,669            |
| Minnesota .....       | 3,335,073          | 862,633              | 4,197,706          | 3,323,645          | 806,553              | 4,130,198          | 3,405,467          |
| Mississippi ..        | 2,739,757          | 733,158              | 3,472,915          | 2,733,468          | 727,547              | 3,461,015          | 2,778,498          |
| Missouri .....        | 3,221,817          | 686,058              | 3,907,875          | 3,210,681          | 682,995              | 3,893,676          | 3,290,420          |
| Montana .....         | 1,175,468          | 576,397              | 1,751,865          | 1,171,730          | 573,106              | 1,744,836          | 1,198,494          |
| Nebraska .....        | 2,003,094          | 778,529              | 2,781,623          | 1,996,278          | 775,054              | 2,771,332          | 2,045,081          |
| Nevada .....          | 704,250            | 315,590              | 1,019,840          | 702,199            | 313,789              | 1,015,988          | 716,887            |
| New Hampshire:        | 879,926            | 319,357              | 1,199,283          | 877,186            | 318,298              | 1,195,484          | 896,801            |
| New Jersey .....      | 1,296,606          | 1,009,383            | 2,305,989          | 1,292,839          | 990,666              | 2,283,505          | 1,319,811          |
| New Mexico ...        | 1,014,624          | 347,227              | 1,361,851          | 1,011,747          | 345,246              | 1,356,993          | 1,032,348          |
| New York .....        | 3,284,212          | 1,334,924            | 4,619,136          | 3,274,254          | 1,318,972            | 4,593,226          | 3,345,551          |
| North Carolina:       | 4,464,299          | 1,039,660            | 5,503,959          | 4,452,161          | 1,031,705            | 5,483,866          | 4,539,068          |
| North Dakota ..       | 1,488,516          | 516,964              | 2,005,480          | 1,483,848          | 514,656              | 1,998,504          | 1,517,273          |
| N. Marianas ...       | 487,272            | 0                    | 487,272            | 579,073            | 0                    | 579,073            | 591,467            |
| Ohio .....            | 4,052,849          | 832,253              | 4,885,102          | 4,039,246          | 828,538              | 4,867,784          | 4,136,644          |
| Oklahoma .....        | 2,069,125          | 521,358              | 2,590,483          | 2,062,534          | 517,368              | 2,579,902          | 2,109,724          |
| Oregon .....          | 1,551,330          | 816,367              | 2,367,697          | 1,546,182          | 811,708              | 2,357,890          | 1,583,038          |
| Pennsylvania ..       | 4,035,090          | 1,097,074            | 5,132,164          | 4,022,419          | 1,084,099            | 5,106,518          | 4,113,145          |
| Puerto Rico ...       | 2,962,515          | 645,587              | 3,608,102          | 2,957,712          | 640,647              | 3,598,359          | 2,992,104          |
| Rhode Island ..       | 708,662            | 330,693              | 1,039,355          | 706,697            | 329,594              | 1,036,291          | 720,769            |
| South Carolina:       | 2,293,928          | 598,747              | 2,892,675          | 2,288,111          | 594,166              | 2,882,277          | 2,329,758          |
| South Dakota ..       | 1,528,071          | 521,371              | 2,049,442          | 1,523,132          | 519,042              | 2,042,174          | 1,558,499          |
| Tennessee .....       | 3,307,440          | 742,323              | 4,049,763          | 3,298,137          | 736,644              | 4,034,781          | 3,364,747          |
| Texas .....           | 4,265,871          | 1,055,953            | 5,321,824          | 4,252,292          | 1,047,872            | 5,300,164          | 4,349,519          |
| Utah .....            | 891,429            | 594,914              | 1,486,343          | 888,867            | 591,517              | 1,480,384          | 907,210            |
| Vermont .....         | 935,306            | 291,622              | 1,226,928          | 932,522            | 279,093              | 1,211,615          | 952,450            |
| Virgin Islands:       | 600,656            | 103,865              | 704,521            | 598,845            | 103,070              | 701,915            | 611,812            |
| Virginia .....        | 2,823,248          | 707,188              | 3,530,436          | 2,815,326          | 673,992              | 3,489,318          | 2,872,048          |
| Washington ...        | 1,769,448          | 1,235,614            | 3,005,062          | 1,763,706          | 1,245,516            | 3,009,222          | 1,804,821          |
| West Virginia:        | 1,790,954          | 465,370              | 2,256,324          | 1,786,074          | 467,113              | 2,253,187          | 1,821,019          |
| Wisconsin .....       | 3,344,497          | 869,174              | 4,213,671          | 3,333,104          | 872,700              | 4,205,804          | 3,414,682          |
| Wyoming .....         | 836,962            | 467,382              | 1,304,344          | 834,487            | 457,258              | 1,291,745          | 852,212            |
| Other .....           | 0                  | 204,400              | 204,400            | 0                  | 204,400              | 204,400            | 0                  |
| <b>SUBTOTAL</b> ..... | <b>112,687,376</b> | <b>35,720,159</b>    | <b>148,407,535</b> | <b>113,158,917</b> | <b>35,402,531</b>    | <b>148,561,448</b> | <b>115,638,174</b> |
| Regional Res. :       | :                  | :                    | :                  | :                  | :                    | :                  | :                  |
| Undistributed:        | 0                  | 0                    | 0                  | 0                  | 197,400 (a)          | 197,400            | 36,460,784 (a)     |
| Federal Admin.:       | 0                  | 0                    | 4,410,309          | :                  | 0                    | 4,416,129          | 4,520,739          |
| Unoblig. Bal.:        | 817,798            | 0                    | 838,228            | 0                  | 0                    | 0                  | 0                  |
| Small Bus. Act:       | 1,436,774          | 452,154              | 1,888,928          | 1,432,391          | 450,632              | 1,883,023          | 1,925,303          |
| <b>TOTAL</b> ....     | <b>114,941,948</b> | <b>36,172,313</b>    | <b>155,545,000</b> | <b>114,591,308</b> | <b>36,050,563</b>    | <b>155,058,000</b> | <b>158,545,000</b> |

(a) Funds will be distributed at a later date by a statutory committee authorized in the Hatch Act.

Table 3  
Distribution of Funds under the McIntire-Stennis Cooperative  
Forestry Research Act  
(In Dollars)

| State/Recipient<br>-----                                        | Fiscal Year<br>1989 Actual<br>----- | Fiscal Year<br>1990 Estimate<br>----- |
|-----------------------------------------------------------------|-------------------------------------|---------------------------------------|
| ALABAMA                                                         |                                     |                                       |
| Agricultural Experiment Station, Auburn University .....        | \$569,443                           | \$560,009                             |
| ALASKA                                                          |                                     |                                       |
| Agricultural Experiment Station, University of Alaska .....     | 351,541                             | 345,880                               |
| AMERICAN SAMOA                                                  |                                     |                                       |
| American Samoa Community College .....                          | 0                                   | 0                                     |
| ARIZONA                                                         |                                     |                                       |
| Agricultural Experiment Station, University of Arizona .....    | 121,295                             | 119,408                               |
| School of Forestry, Northern Arizona University .....           | 121,295                             | 119,408                               |
| ARKANSAS                                                        |                                     |                                       |
| Agricultural Experiment Station, Univ. of Arkansas .....        | 482,282                             | 474,358                               |
| CALIFORNIA                                                      |                                     |                                       |
| Agricultural Experiment Station, Univ. of California .....      | 420,690                             | 413,747                               |
| Department of Forestry, California State Univ., Humboldt .....  | 78,879                              | 77,578                                |
| California Polytechnic State University .....                   | 26,293                              | 25,859                                |
| COLORADO                                                        |                                     |                                       |
| College of Forestry and Natural Resources, Colorado State Univ. | 286,170                             | 281,642                               |
| CONNECTICUT                                                     |                                     |                                       |
| Agricultural Experiment Station, New Haven .....                | 141,086                             | 138,963                               |
| Agricultural Experiment Station, Univ. of Connecticut, Storrs . | 47,029                              | 46,321                                |
| DELAWARE                                                        |                                     |                                       |
| Agricultural Experiment Station, University of Delaware .....   | 100,953                             | 88,926                                |
| FLORIDA                                                         |                                     |                                       |
| Agricultural Experiment Station, University of Florida .....    | 471,387                             | 463,651                               |
| GEORGIA                                                         |                                     |                                       |
| School of Forest Resources, University of Georgia .....         | 580,338                             | 581,422                               |
| GUAM                                                            |                                     |                                       |
| Agricultural Experiment Station, University of Guam .....       | 0                                   | 0                                     |
| HAWAII                                                          |                                     |                                       |
| Agricultural Experiment Station, University of Hawaii .....     | 122,744                             | 131,752                               |
| IDAHO                                                           |                                     |                                       |
| College of Forestry, University of Idaho .....                  | 384,226                             | 378,000                               |
| ILLINOIS                                                        |                                     |                                       |
| Agricultural Experiment Station, University of Illinois .....   | 126,742                             | 140,821                               |
| Department of Forestry, Southern Illinois University .....      | 126,742                             | 140,821                               |
| INDIANA                                                         |                                     |                                       |
| Agricultural Experiment Station, Purdue University .....        | 307,961                             | 292,348                               |
| IOWA                                                            |                                     |                                       |
| Agriculture & Home Economics Experiment Sta., Iowa State Univ.  | 155,429                             | 163,871                               |
| KANSAS                                                          |                                     |                                       |
| Agricultural Experiment Station, Kansas State University .....  | 166,324                             | 153,165                               |
| KENTUCKY                                                        |                                     |                                       |
| Agricultural Experiment Station, University of Kentucky .....   | 362,436                             | 367,293                               |
| LOUISIANA                                                       |                                     |                                       |
| Agricultural Experiment Station, Louisiana State University ... | 352,851                             | 339,545                               |
| School of Forestry, Louisiana Tech University .....             | 151,222                             | 145,519                               |
| MAINE                                                           |                                     |                                       |
| Agricultural Experiment Station, University of Maine .....      | 493,178                             | 495,771                               |
| MARYLAND                                                        |                                     |                                       |
| Agricultural Experiment Station, University of Maryland .....   | 209,905                             | 228,110                               |
| MASSACHUSETTS                                                   |                                     |                                       |
| Agricultural Experiment Station, University of Massachusetts .. | 231,695                             | 206,697                               |
| MICHIGAN                                                        |                                     |                                       |
| Agricultural Experiment Station, Michigan State University .... | 171,656                             | 168,826                               |
| School of Natural Resources, University of Michigan .....       | 171,656                             | 168,826                               |
| Department of Forestry, Michigan Technological University ..... | 171,656                             | 168,826                               |
| MICRONESIA                                                      |                                     |                                       |
| College of Micronesia .....                                     | 0                                   | 0                                     |

| <u>State/Recipient</u>                                          | <u>1989 Actual</u> | <u>1990 Estimate</u> | <u>1991 Estimate</u> |
|-----------------------------------------------------------------|--------------------|----------------------|----------------------|
| MINNESOTA                                                       |                    |                      |                      |
| Agricultural Experiment Station, University of Minnesota .....  | \$416,912          | \$410,119            | \$306,040            |
| MISSISSIPPI                                                     |                    |                      |                      |
| School of Forest Resources, Mississippi State University .....  | 558,548            | 549,303              | 407,639              |
| MISSOURI                                                        |                    |                      |                      |
| Agricultural Experiment Station, University of Missouri .....   | 340,646            | 335,174              | 251,332              |
| MONTANA                                                         |                    |                      |                      |
| School of Forestry, University of Montana .....                 | 373,331            | 356,587              | 266,963              |
| NEBRASKA                                                        |                    |                      |                      |
| Agricultural Experiment Station, University of Nebraska .....   | 133,639            | 121,045              | 95,026               |
| NEVADA                                                          |                    |                      |                      |
| Agricultural Experiment Station, University of Nevada .....     | 57,373             | 56,807               | 48,134               |
| NEW HAMPSHIRE                                                   |                    |                      |                      |
| Agricultural Experiment Station, University of New Hampshire .. | 275,275            | 260,229              | 196,625              |
| NEW JERSEY                                                      |                    |                      |                      |
| Agricultural Experiment Station, Rutgers University .....       | 177,219            | 174,578              | 134,102              |
| NEW MEXICO                                                      |                    |                      |                      |
| Agricultural Experiment Station, New Mexico State University .. | 220,800            | 217,403              | 165,364              |
| NEW YORK                                                        |                    |                      |                      |
| Agricultural Experiment Station, Cornell University .....       | 123,294            | 129,296              | 96,048               |
| College of Environmental Science and Forestry,                  |                    |                      |                      |
| State University of New York .....                              | 369,883            | 387,888              | 288,145              |
| NORTH CAROLINA                                                  |                    |                      |                      |
| School of Forest Resources, North Carolina State University ... | 547,653            | 527,890              | 392,009              |
| NORTH DAKOTA                                                    |                    |                      |                      |
| Agricultural Experiment Station, North Dakota State University  | 68,268             | 78,220               | 63,764               |
| OHIO                                                            |                    |                      |                      |
| Agricultural Experiment Station, Ohio State University .....    | 318,856            | 313,761              | 235,702              |
| OKLAHOMA                                                        |                    |                      |                      |
| Agricultural Experiment Station, Oklahoma State University ...  | 297,065            | 270,935              | 204,440              |
| OREGON                                                          |                    |                      |                      |
| School of Forestry, Oregon State University .....               | 602,129            | 592,128              | 438,901              |
| PENNSYLVANIA                                                    |                    |                      |                      |
| Agricultural Experiment Station, Pennsylvania State University  | 406,017            | 399,413              | 298,224              |
| PUERTO RICO                                                     |                    |                      |                      |
| Agricultural Experiment Station, University of Puerto Rico .... | 79,163             | 67,513               | 55,949               |
| RHODE ISLAND                                                    |                    |                      |                      |
| Agricultural Experiment Station, University of Rhode Island ... | 90,058             | 99,633               | 79,395               |
| SOUTH CAROLINA                                                  |                    |                      |                      |
| College of Forest and Recreation Resources, Clemson University  | 449,597            | 431,532              | 321,671              |
| SOUTH DAKOTA                                                    |                    |                      |                      |
| Agricultural Experiment Station, South Dakota State University  | 111,848            | 110,339              | 87,210               |
| TENNESSEE                                                       |                    |                      |                      |
| Agricultural Experiment Station, University of Tennessee .....  | 395,121            | 388,706              | 290,409              |
| TEXAS                                                           |                    |                      |                      |
| Agricultural Experiment Station, Texas A&M University .....     | 219,351            | 221,119              | 164,743              |
| School of Forestry, Stephen F. Austin State University .....    | 219,351            | 221,119              | 164,743              |
| UTAH                                                            |                    |                      |                      |
| College of Natural Resources, Utah State University .....       | 144,534            | 142,458              | 110,656              |
| VERMONT                                                         |                    |                      |                      |
| School of Natural Resources, University of Vermont .....        | 264,380            | 249,523              | 188,810              |
| VIRGIN ISLANDS                                                  |                    |                      |                      |
| Agricultural Experiment Station, Univ. of the Virgin Islands .. | 0                  | 46,097               | 40,318               |
| VIRGINIA                                                        |                    |                      |                      |
| School of Forestry and Wildlife Resources,                      |                    |                      |                      |
| Virginia Polytechnic Institute and State University .....       | 460,492            | 452,945              | 337,301              |
| WASHINGTON                                                      |                    |                      |                      |
| Agricultural Experiment Station, Washington State University .. | 266,055            | 256,822              | 232,798              |
| College of Forest Resources, University of Washington .....     | 325,178            | 313,894              | 190,471              |
| WEST VIRGINIA                                                   |                    |                      |                      |
| Agricultural Experiment Station, West Virginia University ..... | 329,751            | 324,468              | 243,517              |
| WISCONSIN                                                       |                    |                      |                      |
| Agricultural Experiment Station, University of Wisconsin .....  | 427,807            | 420,825              | 313,855              |
| WYOMING                                                         |                    |                      |                      |
| Agricultural Experiment Station, University of Wyoming .....    | 188,114            | 195,990              | 149,733              |
| Subtotal .....                                                  | 16,762,812         | 16,551,122           | 12,428,428           |
| Federal administration (3%) .....                               | 525,000            | 518,370              | 389,250              |
| Small Business Act .....                                        | 212,188            | 209,508              | 157,322              |
| Total .....                                                     | 17,500,000         | 17,279,000           | 12,975,000           |



Table 4

Evans-Allen Payments to 1890 Colleges and Tuskegee University  
Under Section 1445, Public Law 95-113, As Amended  
(In Dollars)

|                                       | Fiscal Year<br>1989 Actual | Fiscal Year<br>1990 Estimate | Fiscal Year<br>1991 Estimate |
|---------------------------------------|----------------------------|------------------------------|------------------------------|
| ALABAMA                               |                            |                              |                              |
| Alabama A&M University .....          | \$1,381,173                | \$1,414,690                  | \$1,471,800                  |
| Tuskegee University .....             | 1,361,743                  | 1,395,260                    | 1,452,371                    |
| ARKANSAS                              |                            |                              |                              |
| University of Arkansas--Pine Bluff..  | 1,202,039                  | 1,233,643                    | 1,287,496                    |
| DELAWARE                              |                            |                              |                              |
| Delaware State College .....          | 472,233                    | 482,835                      | 500,900                      |
| FLORIDA                               |                            |                              |                              |
| Florida A&M University .....          | 965,735                    | 995,464                      | 1,046,122                    |
| GEORGIA                               |                            |                              |                              |
| Fort Valley State College .....       | 1,513,303                  | 1,555,740                    | 1,628,051                    |
| KENTUCKY                              |                            |                              |                              |
| Kentucky State University .....       | 1,720,917                  | 1,776,048                    | 1,869,988                    |
| LOUISIANA                             |                            |                              |                              |
| Southern University .....             | 1,098,367                  | 1,126,042                    | 1,173,198                    |
| MARYLAND                              |                            |                              |                              |
| University of Maryland--Eastern Shore | 803,585                    | 824,806                      | 860,967                      |
| MISSISSIPPI                           |                            |                              |                              |
| Alcorn State University .....         | 1,420,528                  | 1,451,462                    | 1,504,174                    |
| MISSOURI                              |                            |                              |                              |
| Lincoln University .....              | 1,617,000                  | 1,674,491                    | 1,772,452                    |
| NORTH CAROLINA                        |                            |                              |                              |
| North Carolina A&T State University.  | 2,184,915                  | 2,245,367                    | 2,348,372                    |
| OKLAHOMA                              |                            |                              |                              |
| Langston University .....             | 1,099,504                  | 1,132,707                    | 1,189,284                    |
| SOUTH CAROLINA                        |                            |                              |                              |
| South Carolina State College.....     | 1,194,949                  | 1,223,071                    | 1,270,991                    |
| TENNESSEE                             |                            |                              |                              |
| Tennessee State University .....      | 1,659,999                  | 1,706,848                    | 1,786,677                    |
| TEXAS                                 |                            |                              |                              |
| Prairie View A&M College .....        | 2,143,675                  | 2,212,430                    | 2,329,586                    |
| VIRGINIA                              |                            |                              |                              |
| Virginia State College .....          | 1,432,207                  | 1,471,365                    | 1,538,102                    |
| CRIS .....                            | 36,100                     | 36,100                       | 36,100                       |
| Subtotal .....                        | 23,307,972                 | 23,958,369                   | 25,066,631                   |
| Federal Administration (3%) .....     | 729,990                    | 750,360                      | 785,070                      |
| Small Business Act .....              | 295,038                    | 303,271                      | 317,299                      |
| TOTAL .....                           | 24,333,000                 | 25,012,000                   | 26,169,000                   |

Table 5  
Distribution of Funds for Animal Health and Disease Research  
Section 1433, P.L. 95-113  
(In Dollars)

| State/Recipient                                                                                                        | Fiscal Year<br>1989 Actual | Fiscal Year<br>1990 Est. |
|------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------|
| ALABAMA                                                                                                                |                            |                          |
| Agricultural Experiment Station, Auburn University .....                                                               | \$59,229                   | \$51,862                 |
| School of Veterinary Medicine, Auburn University .....                                                                 | 46,277                     | 51,578                   |
| School of Veterinary Medicine, Tuskegee University .....                                                               | 5,220                      | 6,241                    |
| ALASKA                                                                                                                 |                            |                          |
| Agricultural Experiment Station, University of Alaska .....                                                            | 11,937                     | 8,316                    |
| ARIZONA                                                                                                                |                            |                          |
| Agricultural Experiment Station, University of Arizona .....                                                           | 59,201                     | 56,856                   |
| ARKANSAS                                                                                                               |                            |                          |
| Agricultural Experiment Station, University of Arkansas .....                                                          | 73,641                     | 79,070                   |
| CALIFORNIA                                                                                                             |                            |                          |
| Agricultural Experiment Station, Univ. of California, Berkeley.                                                        | 226,815                    | 225,008                  |
| School of Veterinary Medicine, University of California, Davis.                                                        | 158,598                    | 144,757                  |
| COLORADO                                                                                                               |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, Colorado State University .....                 | 241,605                    | 232,005                  |
| CONNECTICUT                                                                                                            |                            |                          |
| Agricultural Experiment Station, Univ. of Connecticut, Storrs .                                                        | 22,604                     | 21,712                   |
| DELAWARE                                                                                                               |                            |                          |
| Agricultural Experiment Station, University of Delaware .....                                                          | 18,703                     | 19,086                   |
| FLORIDA                                                                                                                |                            |                          |
| Agricultural Experiment Station, University of Florida .....                                                           | 82,451                     | 73,910                   |
| College of Veterinary Medicine, University of Florida .....                                                            | 84,503                     | 90,951                   |
| GEORGIA                                                                                                                |                            |                          |
| Agricultural Experiment Station, University of Georgia .....                                                           | 21,133                     | 22,819                   |
| College of Veterinary Medicine, University of Georgia .....                                                            | 118,666                    | 117,567                  |
| HAWAII                                                                                                                 |                            |                          |
| Agricultural Experiment Station, University of Hawaii .....                                                            | 7,992                      | 7,694                    |
| IDAHO                                                                                                                  |                            |                          |
| Agricultural Experiment Station, University of Idaho .....                                                             | 44,042                     | 42,004                   |
| College of Veterinary Medicine, University of Idaho .....                                                              | 23,398                     | 15,967                   |
| ILLINOIS                                                                                                               |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, University of Illinois .....                    | 163,163                    | 148,954                  |
| INDIANA                                                                                                                |                            |                          |
| Agricultural Experiment Station and School of Veterinary<br>Medicine, Purdue University .....                          | 100,047                    | 99,442                   |
| IOWA                                                                                                                   |                            |                          |
| Agriculture & Home Economics Experiment Sta., Iowa State Univ.                                                         | 48,065                     | 47,288                   |
| College of Veterinary Medicine, Iowa State University .....                                                            | 227,293                    | 217,034                  |
| KANSAS                                                                                                                 |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, Kansas State University .....                   | 169,149                    | 174,726                  |
| KENTUCKY                                                                                                               |                            |                          |
| Agricultural Experiment Station, University of Kentucky .....                                                          | 90,699                     | 88,571                   |
| LOUISIANA                                                                                                              |                            |                          |
| Agricultural Experiment Station, Louisiana State University ...                                                        | 62,751                     | 61,544                   |
| School of Veterinary Medicine, Louisiana State University .....                                                        | 27,177                     | 32,503                   |
| MAINE                                                                                                                  |                            |                          |
| Agricultural Experiment Station, University of Maine .....                                                             | 16,254                     | 16,114                   |
| MARYLAND                                                                                                               |                            |                          |
| Agricultural Experiment Station, University of Maryland .....                                                          | 45,714                     | 42,936                   |
| MASSACHUSETTS                                                                                                          |                            |                          |
| Agricultural Experiment Station, University of Massachusetts ..                                                        | 13,792                     | 12,038                   |
| School of Veterinary Medicine, Tufts University .....                                                                  | 28,419                     | 18,420                   |
| MICHIGAN                                                                                                               |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, Michigan State University .....                 | 97,935                     | 96,709                   |
| MINNESOTA                                                                                                              |                            |                          |
| Agricultural Experiment Station, University of Minnesota .....                                                         | 87,540                     | 85,055                   |
| College of Veterinary Medicine, University of Minnesota .....                                                          | 83,945                     | 84,181                   |
| MISSISSIPPI                                                                                                            |                            |                          |
| Agricultural and Forestry Experiment Station and College of<br>Veterinary Medicine, Mississippi State University ..... | 69,522                     | 74,655                   |



| State/Recipient                                                                                                            | Fiscal Year<br>1989 Actual | Fiscal Year<br>1990 Est. |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------|
| MISSOURI                                                                                                                   |                            |                          |
| Agricultural Experiment Station, University of Missouri .....                                                              | \$44,426                   | \$51,008                 |
| College of Veterinary Medicine, University of Missouri .....                                                               | 126,797                    | 110,185                  |
| MONTANA                                                                                                                    |                            |                          |
| Agricultural Experiment Station, Montana State University .....                                                            | 79,449                     | 71,819                   |
| NEBRASKA                                                                                                                   |                            |                          |
| Agricultural Experiment Station, University of Nebraska .....                                                              | 177,438                    | 174,905                  |
| NEVADA                                                                                                                     |                            |                          |
| Agricultural Experiment Station, University of Nevada .....                                                                | 23,276                     | 24,042                   |
| NEW HAMPSHIRE                                                                                                              |                            |                          |
| Agricultural Experiment Station, University of New Hampshire ..                                                            | 9,698                      | 9,907                    |
| NEW JERSEY                                                                                                                 |                            |                          |
| Agricultural Experiment Station, Rutgers University .....                                                                  | 21,747                     | 25,138                   |
| NEW MEXICO                                                                                                                 |                            |                          |
| Agricultural Experiment Station, New Mexico State University ..                                                            | 38,618                     | 38,248                   |
| NEW YORK                                                                                                                   |                            |                          |
| Agricultural Experiment Station, Cornell University .....                                                                  | 70,579                     | 72,277                   |
| College of Veterinary Medicine, Cornell University .....                                                                   | 226,462                    | 224,742                  |
| NORTH CAROLINA                                                                                                             |                            |                          |
| Agricultural Experiment Station and School of Veterinary<br>Medicine, North Carolina State University .....                | 111,112                    | 116,107                  |
| NORTH DAKOTA                                                                                                               |                            |                          |
| Agricultural Experiment Station, North Dakota State University                                                             | 55,690                     | 54,307                   |
| OHIO                                                                                                                       |                            |                          |
| Ohio Agricultural Research and Dev. Center, Ohio State Univ. ..                                                            | 82,326                     | 84,923                   |
| College of Veterinary Medicine, Ohio State University .....                                                                | 29,447                     | 27,842                   |
| OKLAHOMA                                                                                                                   |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, Oklahoma State University .....                     | 109,810                    | 113,621                  |
| OREGON                                                                                                                     |                            |                          |
| Agricultural Experiment Station, Oregon State University .....                                                             | 55,257                     | 62,027                   |
| School of Veterinary Medicine, Oregon State University .....                                                               | 36,832                     | 28,252                   |
| PENNSYLVANIA                                                                                                               |                            |                          |
| Agricultural Experiment Station, Pennsylvania State Univ. ....                                                             | 68,435                     | 67,229                   |
| School of Veterinary Medicine, University of Pennsylvania .....                                                            | 79,150                     | 81,048                   |
| PUERTO RICO                                                                                                                |                            |                          |
| Agricultural Experiment Station, University of Puerto Rico ....                                                            | 12,385                     | 12,925                   |
| RHODE ISLAND                                                                                                               |                            |                          |
| Agricultural Experiment Station, University of Rhode Island ...                                                            | 6,599                      | 7,361                    |
| SOUTH CAROLINA                                                                                                             |                            |                          |
| Agricultural Experiment Station, Clemson University .....                                                                  | 21,600                     | 22,168                   |
| SOUTH DAKOTA                                                                                                               |                            |                          |
| Agricultural Experiment Station, South Dakota State University                                                             | 89,816                     | 91,275                   |
| TENNESSEE                                                                                                                  |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, University of Tennessee .....                       | 66,245                     | 66,684                   |
| TEXAS                                                                                                                      |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, Texas A&M University .....                          | 367,752                    | 374,727                  |
| UTAH                                                                                                                       |                            |                          |
| Agricultural Experiment Station, Utah State University .....                                                               | 45,277                     | 44,946                   |
| VERMONT                                                                                                                    |                            |                          |
| Agricultural Experiment Station, University of Vermont .....                                                               | 17,627                     | 16,798                   |
| VIRGINIA                                                                                                                   |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, Virginia Polytechnic Institute and State Univ. .... | 98,668                     | 108,138                  |
| WASHINGTON                                                                                                                 |                            |                          |
| Agricultural Experiment Station, Washington State Univ. ....                                                               | 41,618                     | 40,915                   |
| College of Veterinary Medicine, Washington State Univ. ....                                                                | 91,277                     | 96,656                   |
| WEST VIRGINIA                                                                                                              |                            |                          |
| Agricultural & Forestry Experiment Station, West Virginia Univ.                                                            | 12,579                     | 11,933                   |
| WISCONSIN                                                                                                                  |                            |                          |
| Agricultural Experiment Station and College of Veterinary<br>Medicine, University of Wisconsin .....                       | 192,830                    | 184,186                  |
| WYOMING                                                                                                                    |                            |                          |
| Agricultural Experiment Station, University of Wyoming .....                                                               | 42,946                     | 41,924                   |
| Subtotal .....                                                                                                             | 5,191,248                  | 5,125,836                |
| Federal administration .....                                                                                               | 219,040                    | 216,280                  |
| Small Business Act .....                                                                                                   | 65,712                     | 64,884                   |
| Total .....                                                                                                                | 5,476,000                  | 5,407,000                |

Table 6  
Competitive Research Grants  
Proposals Submitted and Grants Awarded in Fiscal Year 1989

|                                                       | Proposals<br>Received | Dollars<br>Requested | Grants<br>Awarded | Dollars<br>Awarded |
|-------------------------------------------------------|-----------------------|----------------------|-------------------|--------------------|
| Plant Science                                         |                       |                      |                   |                    |
| Biological Stress                                     | 136                   | \$27,263,620         | 37                | \$2,789,500        |
| Genetic Mechanisms                                    | 31                    | 8,465,800            | 11                | 1,141,000          |
| Nitrogen Fixation                                     | 47                    | 9,783,133            | 18                | 1,482,957          |
| Photosynthesis                                        | 44                    | 9,226,361            | 14                | 1,215,907          |
| Soybeans                                              | 54                    | 11,165,590           | 6                 | 467,364            |
| Alcohol Fuels                                         | 27                    | 5,927,799            | 5                 | 487,272            |
| Subtotal                                              | 339                   | 71,832,303           | 91                | 7,584,000          |
| Human Nutrition                                       |                       |                      |                   |                    |
| Nutrient Requirements                                 | 64                    | 15,372,750           | 11                | 948,000            |
| Animal Science                                        |                       |                      |                   |                    |
| Brucellosis                                           | 9                     | 2,349,069            | 2                 | 450,300            |
| Reproductive Research                                 | 132                   | 32,363,176           | 29                | 5,237,700          |
| Subtotal                                              | 141                   | 34,712,245           | 31                | 5,688,000          |
| Biotechnology                                         |                       |                      |                   |                    |
| Plant Growth and Development                          | 123                   | 30,660,950           | 22                | 2,900,000          |
| Plant Molecular Biology                               | 152                   | 36,908,673           | 45                | 4,349,168          |
| Plant Science General                                 | 1                     | 500,000              | 1                 | 300,000 (a)        |
| Responses to Biological Stress                        | 155                   | 30,744,082           | 42                | 3,600,500          |
| Responses to Physical<br>Stress (plants)              | 86                    | 18,687,361           | 23                | 1,775,000          |
| Animal Growth and Development                         | 87                    | 22,058,024           | 12                | 2,102,500          |
| Animal Molecular Biology                              | 132                   | 37,475,526           | 15                | 3,000,000          |
| Subtotal                                              | 736                   | 177,034,616          | 160               | 18,027,168         |
| Pest Science                                          |                       |                      |                   |                    |
| Gypsy Moth, Pine Bark Beetle,<br>Boll Weevil/Bollworm | 71                    | 13,052,264           | 19                | 1,896,000          |
| Stratospheric Ozone Depletion                         | 69                    | 20,816,299           | 22                | 3,507,600          |
| TOTAL                                                 | 1,420                 | 332,820,477          | 334               | 37,650,768         |
|                                                       | Proposals<br>Received | Dollars<br>Requested | Grants<br>Awarded | Dollars<br>Awarded |
| 1862 Land-Grant Universities                          | 966                   | \$219,748,878        | 245               | \$27,266,558       |
| 1890 Land-Grant Universities                          | 7                     | 1,342,194            | 1                 | 100,000            |
| Private Universities                                  | 75                    | 20,505,345           | 16                | 2,013,222          |
| Other Public Universities                             | 155                   | 39,656,515           | 27                | 3,113,127          |
| Federal Laboratories                                  | 7                     | 2,435,736            | 3                 | 493,000            |
| USDA/ARS/FS                                           | 77                    | 16,104,098           | 24                | 2,652,861          |
| Private Non-Profit                                    | 45                    | 13,942,018           | 7                 | 560,000            |
| Private Profit                                        | 3                     | 312,107              | 1                 | 100,000            |
| State and Local Agencies                              | -                     | -                    | -                 | -                  |
| Veterinary Schools & Colleges                         | 63                    | 17,075,051           | 7                 | 1,193,000          |
| Other                                                 | 22                    | 1,698,535            | 3                 | 159,000            |
| TOTAL                                                 | 1,420                 | 332,820,477          | 334               | 37,650,768         |

(a) Excludes \$200,000 awarded from the administrative set-aside of Competitive Research Grants program funds.

Table 7  
Competitive Research Grants  
Fiscal Year 1989 Recipients  
(In Dollars)

| State/Recipient<br>-----                                        | Fiscal Year<br>1989 Actual<br>----- |
|-----------------------------------------------------------------|-------------------------------------|
| ALABAMA                                                         |                                     |
| Tuskegee University .....                                       | 100,000                             |
| ARIZONA                                                         |                                     |
| Agricultural Experiment Station, University of Arizona .....    | 1,354,000                           |
| ARKANSAS                                                        |                                     |
| Agricultural Experiment Station, Univ. of Arkansas .....        | 200,000                             |
| CALIFORNIA                                                      |                                     |
| J. N. Bailey-Serres .....                                       | 33,000                              |
| Agricultural Experiment Station, Univ. of California, Berkeley  | 1,117,688                           |
| University of California, Davis .....                           | 1,887,712                           |
| University of California, Irvine .....                          | 240,000                             |
| University of California, San Diego .....                       | 270,000                             |
| University of California, Los Angeles .....                     | 150,000                             |
| University of California, Riverside .....                       | 595,000                             |
| University of California, Santa Barbara .....                   | 180,000                             |
| Salk Institute for Biological Studies .....                     | 90,000                              |
| Stanford University .....                                       | 560,000                             |
| USDA-Agricultural Research Service .....                        | 280,000                             |
| COLORADO                                                        |                                     |
| Agricultural Experiment Station, Colorado State University .... | 234,000                             |
| USDA-Agricultural Research Service .....                        | 150,000                             |
| CONNECTICUT                                                     |                                     |
| Agricultural Experiment Station, Univ. of Connecticut, Storrs . | 90,000                              |
| DISTRICT OF COLUMBIA                                            |                                     |
| Carnegie Institution of Washington .....                        | 100,000                             |
| Delaware                                                        |                                     |
| E.I. du Pont de Nemours Co., Inc. ....                          | 100,000                             |
| Agricultural Experiment Station, University of Delaware .....   | 100,000                             |
| FLORIDA                                                         |                                     |
| Agricultural Experiment Station, University of Florida .....    | 1,524,000                           |
| Tampa Bay Research Institute .....                              | 220,000                             |
| GEORGIA                                                         |                                     |
| Agricultural Experiment Station, University of Georgia .....    | 470,000                             |
| USDA-Agricultural Research Service .....                        | 530,000                             |
| ILLINOIS                                                        |                                     |
| Agricultural Experiment Station, University of Illinois .....   | 1,072,000                           |
| Illinois State University .....                                 | 60,000                              |
| Southern Illinois University .....                              | 305,000                             |
| University of Illinois, Champaign .....                         | 280,000                             |
| Northwestern University .....                                   | 60,000                              |
| University of Chicago .....                                     | 197,000                             |
| USDA-Agricultural Research Service .....                        | 461,000                             |
| INDIANA                                                         |                                     |
| Agricultural Experiment Station, Purdue University .....        | 1,165,257                           |
| IOWA                                                            |                                     |
| Agriculture & Home Economics Experiment Sta., Iowa State Univ.  | 880,000                             |
| University of Iowa .....                                        | 100,000                             |
| KANSAS                                                          |                                     |
| Agricultural Experiment Station, Kansas State University .....  | 440,000                             |
| KENTUCKY                                                        |                                     |
| Agricultural Experiment Station, University of Kentucky .....   | 645,000                             |
| Randy Hunt .....                                                | 66,000                              |
| LOUISIANA                                                       |                                     |
| Agricultural Experiment Station, Louisiana State University ... | 100,000                             |
| Louisiana State University Medical Center .....                 | 272,334                             |
| USDA-Forest Service .....                                       | 100,000                             |
| MAINE                                                           |                                     |
| Agricultural Experiment Station, University of Maine .....      | 120,000                             |

| State/Recipient<br>-----                                               | Fiscal Year<br>1989 Actual<br>----- |
|------------------------------------------------------------------------|-------------------------------------|
| MARYLAND                                                               |                                     |
| Agricultural Experiment Station, University of Maryland .....          | 660,000                             |
| USDA-Agricultural Research Service' .....                              | 787,000                             |
| MASSACHUSETTS                                                          |                                     |
| Agricultural Experiment Station, University of Massachusetts ..        | 413,898                             |
| Amherst College .....                                                  | 100,000                             |
| MICHIGAN                                                               |                                     |
| Agricultural Experiment Station, Michigan State University ....        | 1,047,410                           |
| University of Michigan .....                                           | 352,000                             |
| MINNESOTA                                                              |                                     |
| Agricultural Experiment Station, University of Minnesota .....         | 836,442                             |
| MISSOURI                                                               |                                     |
| Agricultural Experiment Station, University of Missouri .....          | 750,012                             |
| Jeffrey A. Hall .....                                                  | 60,000                              |
| Northeast Missouri State University .....                              | 65,000                              |
| Washington University .....                                            | 150,000                             |
| MONTANA                                                                |                                     |
| Agricultural Experiment Station, Montana State University .....        | 158,000                             |
| NEBRASKA                                                               |                                     |
| Agricultural Experiment Station, University of Nebraska .....          | 648,545                             |
| NEVADA                                                                 |                                     |
| Agricultural Experiment Station, University of Nevada .....            | 323,000                             |
| NEW HAMPSHIRE                                                          |                                     |
| Dartmouth College .....                                                | 100,000                             |
| NEW JERSEY                                                             |                                     |
| Agricultural Experiment Station, Rutgers University .....              | 343,000                             |
| University of Medicine and Dentistry of New Jersey .....               | 215,000                             |
| NEW YORK                                                               |                                     |
| Agricultural Experiment Station, Cornell University .....              | 2,550,938                           |
| Boyce Thompson Institute .....                                         | 145,000                             |
| CUNY Research Foundation on Behalf of Baruch College .....             | 180,000                             |
| City Univ. of New York Res. Fdn. & College of Staten Island ...        | 65,000                              |
| Rensselaer Polytechnic Institute .....                                 | 125,000                             |
| Research Foundation of State University of New York .....              | 90,000                              |
| State University of New York .....                                     | 100,000                             |
| U.S. Department of Energy .....                                        | 350,000                             |
| NORTH CAROLINA                                                         |                                     |
| Agricultural Experiment Station, North Carolina State University ..... | 294,000                             |
| University of North Carolina at Chapel Hill .....                      | 210,000                             |
| OHIO                                                                   |                                     |
| Agricultural Experiment Station, Ohio State University .....           | 811,408                             |
| University of Cincinnati College of Medicine .....                     | 203,000                             |
| OKLAHOMA                                                               |                                     |
| Agricultural Experiment Station, Oklahoma State University ....        | 320,000                             |
| OREGON                                                                 |                                     |
| Agricultural Experiment Station, Oregon State University .....         | 845,157                             |
| PENNSYLVANIA                                                           |                                     |
| Agricultural Experiment Station, Pennsylvania State University         | 643,000                             |
| Drexel University .....                                                | 100,000                             |
| Temple University School of Medicine .....                             | 230,000                             |
| University of Pennsylvania .....                                       | 220,000                             |
| USDA-Agricultural Research Service .....                               | 192,759                             |
| USDA-Forest Service .....                                              | 152,102                             |
| RHODE ISLAND                                                           |                                     |
| Gordon Research Conference .....                                       | 5,000                               |
| SOUTH CAROLINA                                                         |                                     |
| Agricultural Experiment Station, Clemson University .....              | 50,000                              |
| SOUTH DAKOTA                                                           |                                     |
| Agricultural Experiment Station, South Dakota State University         | 100,000                             |



| State/Recipient<br>-----                                                                      | Fiscal Year<br>1989 Actual<br>----- |
|-----------------------------------------------------------------------------------------------|-------------------------------------|
| TENNESSEE                                                                                     |                                     |
| Agricultural Experiment Station, University of Tennessee .....                                | 160,000                             |
| US Department of Energy, Oak Ridge .....                                                      | 143,000                             |
| TEXAS                                                                                         |                                     |
| Agricultural Experiment Station, Texas A&M University .....                                   | 367,500                             |
| Texas Tech University .....                                                                   | 205,205                             |
| University of Texas .....                                                                     | 50,000                              |
| University of Texas Health Science Center .....                                               | 75,000                              |
| University of Texas Medical Branch .....                                                      | 135,422                             |
| William Marsh Rice University .....                                                           | 147,272                             |
| UTAH                                                                                          |                                     |
| Brigham Young University .....                                                                | 128,950                             |
| Agricultural Experiment Station, Utah State University .....                                  | 381,050                             |
| University of Utah .....                                                                      | 120,000                             |
| VERMONT                                                                                       |                                     |
| Agricultural Experiment Station, University of Vermont .....                                  | 50,000                              |
| VIRGINIA                                                                                      |                                     |
| Agricultural Experiment Station, Virginia Polytechnic<br>Institute and State University ..... | 60,000                              |
| WASHINGTON                                                                                    |                                     |
| Agricultural Experiment Station, Washington State University ..                               | 835,008                             |
| University of Washington .....                                                                | 352,500                             |
| WEST VIRGINIA                                                                                 |                                     |
| Agric. & Forestry Exper. Station, West Virginia University ....                               | 180,000                             |
| WISCONSIN                                                                                     |                                     |
| Agricultural Experiment Station, University of Wisconsin .....                                | 1,944,199                           |
| Medical College of Wisconsin .....                                                            | 345,000                             |
| WYOMING                                                                                       |                                     |
| Agricultural Experiment Station, University of Wyoming .....                                  | 80,000                              |
| Subtotal .....                                                                                | 37,650,768                          |
| Federal administration (4%) .....                                                             | 1,588,640                           |
| Small Business Act .....                                                                      | 476,592                             |
| Total .....                                                                                   | 39,716,000                          |



COOPERATIVE STATE RESEARCH SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

[Buildings and Facilities]

[For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension and teaching programs of the Department of Agriculture, where not otherwise provided, \$45,686,000.]

This change deletes language for this account since no funding is being requested in fiscal year 1991.

## COOPERATIVE STATE RESEARCH SERVICE

BUILDINGS AND FACILITIES

|                                 |                    |
|---------------------------------|--------------------|
| Appropriation Act, 1990 .....   | \$45,686,000       |
| Budget Estimate, 1991 .....     | - -                |
| Decrease in Appropriation ..... | <u>-45,686,000</u> |
|                                 | =====              |

## Adjustments in 1990:

|                                                   |                 |                    |
|---------------------------------------------------|-----------------|--------------------|
| Appropriation Act, 1990 .....                     | \$45,686,000    |                    |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177) ... | <u>-578,000</u> |                    |
| Adjusted base for 1990 .....                      |                 | 45,108,000         |
| Budget estimate, 1991 .....                       |                 | - -                |
| Decrease from adjusted '1990 .....                |                 | <u>-45,108,000</u> |
|                                                   |                 | =====              |

SUMMARY OF INCREASES AND DECREASES  
(On basis of adjusted appropriation)

| <u>Item of Change</u>                           | <u>1990</u><br><u>Estimated</u> | <u>Pay Costs</u> | <u>Program</u><br><u>Change</u> | <u>1991</u><br><u>Estimated</u> |
|-------------------------------------------------|---------------------------------|------------------|---------------------------------|---------------------------------|
| Buildings and Facilities, Total Available ..... | \$45,108,000                    | - -              | -\$45,108,000                   | - -                             |
|                                                 | =====                           | =====            | =====                           | =====                           |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Project                   | 1989 Actual |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|---------------------------|-------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                           | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| Buildings and Facilities: |             |                 |                |                 |                         |                |                 |
| Ctr. for Alter. Pest :    |             |                 |                |                 |                         |                |                 |
| Control Research, AK:     | - -         |                 | \$420,000      |                 | -\$420,000              | - -            |                 |
| Poultry Center of :       |             |                 |                |                 |                         |                |                 |
| Excellence, AK .... :     | - -         |                 | (a)            |                 | - -                     | - -            |                 |
| Poultry Laboratory & :    |             |                 |                |                 |                         |                |                 |
| Isolation Facility, :     |             |                 |                |                 |                         |                |                 |
| Univ. of Arkansas . :     | \$200,000   |                 | 247,000        |                 | -247,000                | - -            |                 |
| Rice Germplasm Ctr., :    |             |                 |                |                 |                         |                |                 |
| Stuttgart, Arkansas :     | - -         |                 | (a)            |                 | - -                     | - -            |                 |
| Grape Import. Facil. :    |             |                 |                |                 |                         |                |                 |
| Univ. of CA., Davis :     | - -         |                 | 128,000        |                 | -128,000                | - -            |                 |
| Ag. Biotech. Inst., :     |             |                 |                |                 |                         |                |                 |
| Univ. of Florida .. :     | 600,000     |                 | 1,530,000      |                 | -1,530,000              | - -            |                 |
| Biocontainment Facil.:    |             |                 |                |                 |                         |                |                 |
| Univ. of Georgia .. :     | 467,000     |                 | 985,000        |                 | -985,000                | - -            |                 |
| Nat. Lab. for Envir. :    |             |                 |                |                 |                         |                |                 |
| Sound Prod. Ag., GA :     | - -         |                 | (a)            |                 | - -                     | - -            |                 |
| Ctr. for Tropical & :     |             |                 |                |                 |                         |                |                 |
| Subtropical Agric., :     |             |                 |                |                 |                         |                |                 |
| Univ. of Hawaii ... :     | 50,000      |                 | 1,121,000      |                 | -1,121,000              | - -            |                 |
| Biotech. Facil., ID :     | - -         |                 | (a)            |                 | - -                     | - -            |                 |
| National Soybean Lab.:    |             |                 |                |                 |                         |                |                 |
| Univ. of Illinois . :     | 250,000     |                 | 1,306,000      |                 | -1,306,000              | - -            |                 |
| Molecular & Cellular :    |             |                 |                |                 |                         |                |                 |
| Biotech. Facil., IN :     | - -         |                 | (a)            |                 | - -                     | - -            |                 |
| National Ctr. for :       |             |                 |                |                 |                         |                |                 |
| Food & Industrial :       |             |                 |                |                 |                         |                |                 |
| Product Development,:     |             |                 |                |                 |                         |                |                 |
| Iowa State Univ.... :     | 1,700,000   |                 | 3,203,000      |                 | -3,203,000              | - -            |                 |
| Nutri. Research Ctr. :    |             |                 |                |                 |                         |                |                 |
| Iowa State Univ... :      | 290,000     |                 | 2,271,000      |                 | -2,271,000              | - -            |                 |
| Plant Science Ctr., :     |             |                 |                |                 |                         |                |                 |
| Kansas State Univ. :      | 1,400,000   |                 | 2,962,000      |                 | -2,962,000              | - -            |                 |
| Bldg. Consolidation, :    |             |                 |                |                 |                         |                |                 |
| Univ. of Maine .... :     | - -         |                 | (a)            |                 | - -                     | - -            |                 |
| Masardis Research :       |             |                 |                |                 |                         |                |                 |
| Farm, Maine ..... :       | - -         |                 | 114,000        |                 | -114,000                | - -            |                 |
| Food Toxicology Ctr.,:    |             |                 |                |                 |                         |                |                 |
| Michigan State Univ.:     | 1,250,000   |                 | 2,962,000      |                 | -2,962,000              | - -            |                 |
| Nat. Ctr. for Devel. :    |             |                 |                |                 |                         |                |                 |
| of Natural Products :     |             |                 |                |                 |                         |                |                 |
| Univ. of Miss..... :      | 400,000     |                 | 3,875,000      |                 | -3,875,000              | - -            |                 |
| Biosci. Research Lab :    |             |                 |                |                 |                         |                |                 |
| Montana State Univ. :     | 50,000      |                 | 247,000        |                 | -247,000                | - -            |                 |
| Ctr for Advan. Tech. :    |             |                 |                |                 |                         |                |                 |
| Univ. of Nebraska . :     | 250,000     |                 | 2,962,000      |                 | -2,962,000              | - -            |                 |
| Ctr for Ag. Molecular:    |             |                 |                |                 |                         |                |                 |
| Biol., Rutgers Univ.:     | 250,000     |                 | 89,000         |                 | -89,000                 | - -            |                 |
| Biotech Facil., NC ...:   | - -         |                 | (a)            |                 | - -                     | - -            |                 |
| Ctr. for Nutrition, :     |             |                 |                |                 |                         |                |                 |
| Wake Forest Univ, NC:     | - -         |                 | 2,853,000      |                 | -2,853,000              | - -            |                 |
| Inst. for Earth Sys :     |             |                 |                |                 |                         |                |                 |
| Sci., Univ. of ND :       | 4,200,000   |                 | 4,147,000      |                 | -4,147,000              | - -            |                 |
| Industrial Agric. :       |             |                 |                |                 |                         |                |                 |
| & Commun. Ctr., :         |             |                 |                |                 |                         |                |                 |
| ND State Univ..... :      | 535,000     |                 | 2,304,000      |                 | -2,304,000              | - -            |                 |
| Hettinger Research :      |             |                 |                |                 |                         |                |                 |
| Teaching Lab, ND .. :     | - -         |                 | 148,000        |                 | -148,000                | - -            |                 |
| Plant Sci. Greenhouse:    |             |                 |                |                 |                         |                |                 |
| Complex, ND ..... :       | - -         |                 | (a)            |                 | - -                     | - -            |                 |

| Project                                                                                 | 1989 Actual |                 | 1990 Estimated |                 | Increase or<br>Decrease | 1991 Estimated |                 |
|-----------------------------------------------------------------------------------------|-------------|-----------------|----------------|-----------------|-------------------------|----------------|-----------------|
|                                                                                         | Amount      | Staff:<br>Years | Amount         | Staff:<br>Years |                         | Amount         | Staff:<br>Years |
| Nat. Ctr. for Equine<br>& Bovine Biotech.<br>Research, Oklahoma<br>State University ..  | - -         | :               | \$296,000      | :               | -\$296,000              | - -            | :               |
| Agric. Research<br>Facility, Oregon<br>State University ..                              | \$7,500,000 | :               | - -            | :               | - -                     | - -            | :               |
| Bldg. Consolidation,<br>Univ. of RI .....                                               | - -         | :               | (a)            | :               | - -                     | - -            | :               |
| No. Plains Biostress<br>Lab., SD State Univ.:                                           | 100,000     | :               | 1,679,000      | :               | -1,679,000              | - -            | :               |
| Nursery Crop Research<br>Station, Tennessee<br>State University ..                      | - -         | :               | 247,000        | :               | -247,000                | - -            | :               |
| Inst. of Biosciences<br>& Technology, Texas<br>A&M Univ. at Houston:                    | 1,250,000   | :               | 2,962,000      | :               | -2,962,000              | - -            | :               |
| Biomed. Clinic, Univ.<br>of Texas SW, Dallas                                            | - -         | :               | 950,000        | :               | - -                     | - -            | :               |
| Biotech Lab, Utah<br>University .....                                                   | - -         | :               | (a)            | :               | - -                     | - -            | :               |
| Stafford-Aiken Ctr.<br>for Microbio. & Ag.<br>Sci., Univ. of VT .                       | 1,400,000   | :               | - -            | :               | - -                     | - -            | :               |
| Tree Physiology and<br>Maple Research Lab,<br>Univ. of Vermont ...                      | 50,000      | :               | 370,000        | :               | -370,000                | - -            | :               |
| Agric. Biotechnology<br>Center, Virginia<br>Polytechnic Inst. &<br>State University ..  | 100,000     | :               | 112,000        | :               | -112,000                | - -            | :               |
| Virginia-Maryland<br>Regional College of<br>Veterinary Medicine                         | 50,000      | :               | 474,000        | :               | -474,000                | - -            | :               |
| College of Veterinary<br>Medicine, Animal<br>Disease Biotech Fac.<br>WA State Univ..... | - -         | :               | (a)            | :               | - -                     | - -            | :               |
| Food & Nutrition Ctr.:<br>WA State Univ.....                                            | 3,405,000   | :               | 2,108,000      | :               | -2,108,000              | - -            | :               |
| Ctr. for Info. & Tech:<br>Transfer, Gonzaga<br>Univ., Spokane, WA                       | 1,875,000   | :               | 617,000        | :               | -617,000                | - -            | :               |
| Poultry Research<br>Facil. WV Univ.....                                                 | 1,888,000   | :               | 1,481,000      | :               | 1,481,000               | - -            | :               |
| Agric. Biotech &<br>Genetics Bldg, Univ.<br>of Wisconsin .....                          | 50,000      | :               | 592,000        | :               | -592,000                | - -            | :               |
| Reports on footnote<br>(a) items .....                                                  | - -         | :               | 296,000        | :               | -296,000                | - -            | :               |
| Carryover Balances .                                                                    | 90,000      | :               | 170,000        | :               | -170,000                | - -            | :               |
| Federal Admin. (3%)                                                                     | (886,800)   | :               | (1,372,860)    | :               | (-1,372,860)            | :              | :               |
| Total .....                                                                             | 29,650,000  | 8               | 46,228,000     | 10              | -46,228,000 (1):        | - -            | - -             |
| Total obligations .....                                                                 | 29,650,000  | 8               | 46,228,000     | 10              | -46,228,000             | - -            | - -             |
| Unobligated Balances:                                                                   |             |                 |                |                 |                         |                |                 |
| Available, start<br>of year .....                                                       | -310,000    | - -             | -1,120,000     | - -             | +1,120,000              | - -            | - -             |
| Transferred .....                                                                       | -7,500,000  | - -             | - -            | - -             | - -                     | - -            | - -             |
| Available, end of year                                                                  | 1,120,000   | - -             | - -            | - -             | - -                     | - -            | - -             |
| Total available or<br>estimate .....                                                    | 22,960,000  | 8               | 45,108,000     | 10              | -45,108,000             | - -            | - -             |
| Gramm-Rudman-Hollings<br>Reduction, P.L. 99-177                                         | - -         | - -             | 578,000        | - -             |                         |                |                 |
| Transfer from Agricul-<br>tural Research Service                                        | -22,960,000 | - -             | - -            | - -             |                         |                |                 |
| Total, Appropriation ..                                                                 | - -         | 8               | 45,686,000     | 10              |                         |                |                 |

## EXPLANATION OF PROGRAM

Buildings and Facilities - In the Fiscal Year 1989 Appropriation Act, funds were appropriated to the Agricultural Research Service for Buildings and Facilities. Some of these funds were earmarked for facilities at specific universities. The appropriation language allowed for transfer of these funds to other accounts as may be appropriate and \$30.5 million in 1989 was transferred to CSRS. CSRS awarded grants and cooperative agreements for these facilities to the universities.

In the Fiscal Year 1990 Appropriation Act, \$45.7 million was appropriated to CSRS for Building and Facilities at designated universities. These funds are available until expended and CSRS is awarding grants for these facilities to the universities.

## JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$46,228,000 for Buildings and Facilities (\$46,228,000 available in 1990).

Need for Change. In the Fiscal Year 1989 Appropriation Act, funds were appropriated to the Agricultural Research Service for Buildings and Facilities. Funds earmarked for facilities at specific universities were transferred to CSRS in 1989 consistent with the appropriation language. Funds were carried over from 1989 to 1990 for the Biomedical Clinic at the University of Texas Southwestern (\$950,000) and for Federal Administration (\$170,000). In 1990, \$45,108,000 has been appropriated in a separate CSRS Buildings and Facilities account.

Nature of Change. No additional funding is being proposed for these or other university facilities.



## COOPERATIVE STATE RESEARCH SERVICE

## Status of Construction Projects

BUILDINGS AND FACILITIES

In the Fiscal Year 1989 Appropriations Act, funds were appropriated under the Agricultural Research Service Buildings and Facilities account. The appropriation language allowed for transfer of these funds "to other accounts as may be appropriate to carry out these programs". Consequently, \$30.5 million was transferred to the Cooperative State Research Service in fiscal year 1989. The status of these research facilities is as follows:

| <u>Facility</u>                                                                                          | <u>Amount</u> | <u>Description</u>                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| University of Arkansas,<br>Poultry Disease<br>Research Center                                            | \$200,000     | CSRS awarded a grant to the University of Arkansas for construction of the Poultry Disease Research Center.                                                                                                                                                  |
| University of Florida,<br>Agricultural Biotechnology<br>Institute                                        | 600,000       | CSRS awarded a grant to the University of Florida for planning and construction of an Agricultural Biotechnology Institute.                                                                                                                                  |
| University of Georgia,<br>Biocontainment Research<br>Center                                              | 467,000       | CSRS awarded a grant to the University of Georgia for construction of a Biocontainment Research Center.                                                                                                                                                      |
| University of Hawaii,<br>Center for Tropical and<br>Subtropical Agriculture                              | 50,000        | CSRS awarded a cooperative agreement to the University of Hawaii to conduct a feasibility study on constructing a Center for Tropical and Subtropical Agriculture. A copy of the feasibility study was sent to the Appropriations Committees on May 3, 1989. |
| University of Illinois,<br>National Soybean Research<br>Laboratory                                       | 250,000       | CSRS awarded a grant to the University of Illinois for planning for construction of a National Soybean Research Laboratory.                                                                                                                                  |
| Iowa State University,<br>National Center for Food and<br>Industrial Agricultural Product<br>Development | 1,700,000     | CSRS awarded a grant to Iowa State University for construction of a National Center for Food and Industrial Agricultural Product Development.                                                                                                                |
| Iowa State University,<br>Center for Human Nutrition,<br>Food Selection and Supply                       | 290,000       | CSRS awarded a grant to Iowa State University for planning for construction of a Center for Human Nutrition, Food Selection and Supply.                                                                                                                      |
| Kansas State University,<br>Plant Science Facility                                                       | 1,400,000     | CSRS awarded a grant to Kansas State University for construction of a Plant Science Facility.                                                                                                                                                                |

|                                                                                               |           |                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Michigan State University<br>Food Toxicology Laboratory                                       | 1,250,000 | CSRS awarded a grant to Michigan State University for planning for construction of a Food Toxicology Laboratory.                                                                                                                                                             |
| University of Mississippi,<br>Center for the Technological<br>Development of Natural Products | 400,000   | CSRS awarded a grant to the University of Mississippi for planning for construction of a Center for the Technological Development of Natural Products.                                                                                                                       |
| Montana State University,<br>Bioscience Research Laboratory                                   | 50,000    | CSRS awarded a cooperative agreement to Montana State University to conduct a feasibility study on constructing a Bioscience Research Laboratory. A copy of the feasibility study was sent to the Appropriations Committees on May 3, 1989.                                  |
| University of Nebraska<br>National Center for Advanced<br>Technology                          | 250,000   | CSRS awarded a grant to the University of Nebraska for planning for construction of a National Center for Advanced Technology.                                                                                                                                               |
| Rutgers University, Plant<br>Bioscience and Biotechnology<br>Complex                          | 250,000   | CSRS awarded a grant to Rutgers University for planning for construction of a Plant Bioscience and Biotechnology Complex.                                                                                                                                                    |
| North Dakota State<br>University, Industrial<br>Agriculture and Communications<br>Center      | 535,000   | CSRS awarded a grant to North Dakota State University for a feasibility study and for planning for construction of an Industrial Agriculture and Communications Center.                                                                                                      |
| University of North Dakota,<br>Institute for Earth<br>Systems Science                         | 4,200,000 | CSRS awarded a grant to the University of North Dakota for planning and construction of an Institute for Earth Systems Science.                                                                                                                                              |
| Oregon State University,<br>Agricultural Sciences II<br>Building                              | 7,500,000 | CSRS awarded a grant to Oregon State University for construction of an Agricultural Sciences II Building.                                                                                                                                                                    |
| South Dakota State University,<br>Northern Plains Biostress<br>Laboratory                     | 100,000   | CSRS awarded to South Dakota State University a cooperative agreement for a feasibility study and a grant for planning for construction of a Northern Plains Biostress Laboratory. A copy of the feasibility study was sent to the Appropriations Committees on May 3, 1989. |
| Texas A&M University System,<br>Institute of Biosciences<br>and Technology                    | 1,250,000 | CSRS awarded a grant to Texas A&M University System for construction of an Institute of Biosciences and Technology.                                                                                                                                                          |

|                                                                                                                          |           |                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| University of Texas<br>Southwestern, Biomedical<br>Clinic                                                                | 950,000   | A copy of the feasibility study was sent to the Appropriations Committees on July 18, 1989. No funds have been obligated for this project.                                                                                                                                                                                                  |
| University of Vermont,<br>Stafford-Aiken Center<br>for Microbiology and<br>Agricultural Sciences                         | 1,400,000 | CSRS awarded a grant to the University of Vermont for construction of the Stafford-Aiken Center for Microbiology and Agricultural Sciences.                                                                                                                                                                                                 |
| University of Vermont,<br>Maple Research Laboratory                                                                      | 50,000    | CSRS awarded a cooperative agreement to the University of Vermont to conduct a feasibility study on constructing a Maple Research Laboratory. A copy of the feasibility study was sent to the Appropriations Committees on July 13, 1989.                                                                                                   |
| Virginia Polytechnic Institute<br>and State University, Virginia-<br>Maryland Research College of<br>Veterinary Medicine | 50,000    | CSRS awarded a cooperative agreement to Virginia Polytechnic Institute and State University to conduct a feasibility study on proposed modifications to the research facilities at the Virginia-Maryland Regional College of Veterinary Medicine. A copy of the feasibility study was sent to the Appropriations Committees on May 3, 1989. |
| Virginia Polytechnic Institute<br>and State University,<br>Agricultural Biotechnology<br>Center                          | 100,000   | CSRS awarded a grant to Virginia Polytechnic Institute and State University for planning for construction of an Agricultural Biotechnology Center.                                                                                                                                                                                          |
| Washington State University,<br>Food-Human Nutrition<br>Center                                                           | 3,405,000 | CSRS awarded a grant to Washington State University for construction of a Food-Human Nutrition Center.                                                                                                                                                                                                                                      |
| Gonzaga University, Spokane,<br>Washington, Center<br>for Information and Technology                                     | 1,875,000 | CSRS awarded a grant to Gonzaga University for construction of a Center for Information and Technology.                                                                                                                                                                                                                                     |
| West Virginia University,<br>Poultry Research<br>Facility                                                                | 1,888,000 | CSRS awarded a grant to West Virginia University for construction of a Poultry Research Facility.                                                                                                                                                                                                                                           |
| University of Wisconsin,<br>Agricultural Biotechnology<br>and Genetics Building                                          | 50,000    | CSRS awarded a cooperative agreement to the University of Wisconsin to conduct a feasibility study on construction of an Agricultural Biotechnology and Genetics Building. A copy of the feasibility study was sent to the Appropriations Committees on July 13, 1989.                                                                      |



## EXTENSION SERVICE

Purpose Statement

Cooperative extension work was established by the Smith-Lever Act of May 8, 1914, as amended. Legislation authorizes the Department of Agriculture to provide, through the land-grant colleges, cooperative extension work that consists of the development of practical applications of research knowledge and the giving of instruction and practical demonstrations of existing or improved practices of technologies in agriculture, uses of solar energy with respect to agriculture, home economics, related subjects and to encourage the application of such information by demonstrations, publications, and other means to persons not attending or resident in the colleges. This work is further emphasized in Title XIV (National Agricultural Research, Extension, and Teaching Policy) of the Food and Agriculture Act of 1977, as amended in 1981 and 1985.

To fulfill the requirements of the Smith-Lever Act, state and county Extension offices in each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Marianas and Micronesia, conduct educational programs to improve American agriculture and strengthen the Nation's families and communities.

The Extension Service, USDA, provides national leadership and represents the U.S. Department of Agriculture within the Cooperative Extension System, comprised of some 21,000 state and local Extension system employees and 2.9 million program service volunteers. As of September 30, 1989, there were 163 full-time permanent employees and 12 other than full-time permanent employees, all located in the D.C. metropolitan area.



## EXTENSION SERVICE

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                                  | 1989           |             | 1990           |             | 1991           |             |
|---------------------------------------|----------------|-------------|----------------|-------------|----------------|-------------|
|                                       | Actual         |             | Estimated      |             | Estimated      |             |
|                                       | Amount         | Staff-Years | Amount         | Staff-Years | Amount         | Staff-Years |
| Extension Service.....                | \$361,370,000: | 171         | \$369,180,000: | 173         | \$345,676,000: | 175         |
| Obligations under Other USDA          |                |             |                |             |                |             |
| Appropriations:                       |                |             |                |             |                |             |
| Agricultural Stabilization and        |                |             |                |             |                |             |
| Conservation Service -                |                |             |                |             |                |             |
| Colorado River Salinity .....         | 273,000:       |             | 546,000:       |             | 546,000:       |             |
| Rural Clean Water Project.....        | 481,019:       |             | 420,000:       |             | 420,000:       |             |
| Marketing Pilot Program.....          | 12,500:        |             |                |             |                |             |
| Agricultural Research Service -       |                |             |                |             |                |             |
| Food Supply Safety .....              | 37,569:        |             | --             |             | --             |             |
| Support Services.....                 | 4,566:         |             | 5,000:         |             | 5,000:         |             |
| Rural Technology Study.....           | 50,000:        |             | 50,000:        |             | 50,000:        |             |
| Study on Income Opportunities.....    | 25,000:        |             | 25,000:        |             | 25,000:        |             |
| Regionalize Teaching/Research Prog..  | 25,000:        |             | 25,000:        |             | 25,000:        |             |
| Water Quality Evaluation.....         | 40,500:        |             | 41,000:        |             | 41,000:        |             |
| Marketing Pilot Program.....          | 12,500:        |             | 13,000:        |             | 13,000:        |             |
| Information Management.....           | 75,000:        |             | 75,000:        |             | 75,000:        |             |
| Gossym/Comax Info. Unit.....          | 50,000:        |             | 50,000:        |             | 50,000:        |             |
| Cooperative State Research Service -  |                |             |                |             |                |             |
| Low-Input Farming .....               | 100,000:       |             | --             |             | --             |             |
| Shared Positions .....                | 34,500:        |             | 35,000:        |             | 35,000:        |             |
| Video Teleconf.-Biotechnology.....    | 12,000:        |             | --             |             | --             |             |
| National Study Brochure.....          | 1,200:         |             | --             |             | --             |             |
| Low-Input Farming Brochure.....       | 3,475:         |             | --             |             | --             |             |
| Groundwater Quality Visit-IA.....     | 1,500:         |             | --             |             | --             |             |
| Federal Crop Insurance Corporation -  |                |             |                |             |                |             |
| Educational Activities .....          | 350,000:       |             | 375,000:       |             | 375,000:       |             |
| Food Safety and Inspection Service -  |                |             |                |             |                |             |
| Consumer Residue Education.....       | 2,500:         |             | 3,000:         |             | 3,000:         |             |
| Soil Conservation Service -           |                |             |                |             |                |             |
| Water Quality .....                   | 28,500:        |             | 31,000:        |             | 31,000:        |             |
| Office of Advocacy & Enterprise -     |                |             |                |             |                |             |
| Small Farmers Conference.....         | 31,000:        |             | 35,000:        |             | 35,000:        |             |
| Office of Budget & Program Analysis - |                |             |                |             |                |             |
| Groundwater Quality Visit-IA.....     | 1,000:         |             | --             |             | --             |             |
| Total, Other USDA Appropriations      | 1,652,329:     | --          | 1,729,000:     | --          | 1,729,000:     | --          |
| Total, Agriculture Appropriations     | 363,022,329:   | 171         | 370,909,000:   | 173         | 347,405,000:   | 175         |

| Item                                    | 1989                   |                 | 1990                   |                 | 1991                   |                 |
|-----------------------------------------|------------------------|-----------------|------------------------|-----------------|------------------------|-----------------|
|                                         | Actual                 |                 | Estimated              |                 | Estimated              |                 |
|                                         | Amount                 | Staff-<br>Years | Amount                 | Staff-<br>Years | Amount                 | Staff-<br>Years |
| <b>Other Federal Funds:</b>             |                        |                 |                        |                 |                        |                 |
| <b>Reimbursements:</b>                  |                        |                 |                        |                 |                        |                 |
| AID-PASA International Extension.....   | 2,000,000:             |                 | 1,900,000:             |                 | 1,900,000:             |                 |
| Department of Energy -                  |                        |                 |                        |                 |                        |                 |
| Low-Input Farming.....                  | 48,500:                |                 | --                     |                 | --                     |                 |
| Department of Health & Human Services - |                        |                 |                        |                 |                        |                 |
| Head Start.....                         | 34,000:                |                 | 34,000:                |                 | 34,000:                |                 |
| Department of Interior -                |                        |                 |                        |                 |                        |                 |
| Fish & Wildlife Recognition Program.    | 7,000:                 |                 | 10,000:                |                 | 10,000:                |                 |
| Environmental Protection Agency -       |                        |                 |                        |                 |                        |                 |
| Water Quality Program.....              | 15,000:                |                 | 15,000:                |                 | 15,000:                |                 |
| Pesticide Applicator Training.....      | 1,824,519:             |                 | 1,862,000:             |                 | 1,862,000:             |                 |
| Underground Storage Tanks.....          | 15,000:                |                 | --                     |                 | --                     |                 |
| Wetlands Workshop - ND.....             | 7,000:                 |                 | --                     |                 | --                     |                 |
| Emergency Planning Education.....       | 2,000:                 |                 | --                     |                 | --                     |                 |
| Indian Nations Radon Training.....      | 5,000:                 |                 | --                     |                 | --                     |                 |
| Department of Labor -                   |                        |                 |                        |                 |                        |                 |
| RD Policy Education Program .....       | 35,000:                |                 | --                     |                 | --                     |                 |
| Economic Development Administration -   |                        |                 |                        |                 |                        |                 |
| Regional RD Policy .....                | 25,000:                |                 | --                     |                 | --                     |                 |
| U.S. Army -                             |                        |                 |                        |                 |                        |                 |
| Family Life Enrichment.....             | 907,336:               |                 | 910,000:               |                 | 910,000:               |                 |
| <b>Total, Other Federal Funds</b>       | <b>4,925,355:</b>      |                 | <b>4,731,000:</b>      |                 | <b>4,731,000:</b>      |                 |
| <b>Non-Federal Funds:</b>               |                        |                 |                        |                 |                        |                 |
| Federal Assistance Program Retrieval..  | 4,886:                 |                 | 5,000:                 |                 | 5,000:                 |                 |
| Federal Telecommunications System.....  | 184,355:               |                 | 85,000:                |                 | 85,000:                |                 |
| Cost Share Printing.....                | 144,639:               |                 | 145,000:               |                 | 150,000:               |                 |
| <b>Total, Non-Federal Funds</b>         | <b>333,880:</b>        |                 | <b>235,000:</b>        |                 | <b>240,000:</b>        |                 |
| <b>Total, Extension Service</b>         | <b>:\$368,281,564:</b> | <b>171</b>      | <b>:\$375,875,000:</b> | <b>173</b>      | <b>:\$352,376,000:</b> | <b>175</b>      |

|                                          | 1989<br>Actual | 1990<br>Estimated | 1991<br>Estimated |
|------------------------------------------|----------------|-------------------|-------------------|
| <b>Full-Time Equivalent Staff-Years:</b> |                |                   |                   |
| Ceiling.....                             | 171            | 173               | 175               |
| Non-Ceiling.....                         | 1              | 1                 | 1                 |
| <b>Total.....</b>                        | <b>172</b>     | <b>174</b>        | <b>176</b>        |

## EXTENSION SERVICE

Permanent Positions by Grade and Staff-Year Summary1989 and Estimated 1990 and 1991

| GRADE                       | 1989 | 1990 est. | 1991 est. |
|-----------------------------|------|-----------|-----------|
| ES-5                        | 1    | 1         | 1         |
| ES-4                        | 5    | 6         | 7         |
| ES-3                        | 1    | 1         | --        |
| ES-2                        | 1    | --        | --        |
| GS/GM-15                    | 28   | 29        | 30        |
| GS/GM-14                    | 33   | 34        | 35        |
| GS/GM-13                    | 11   | 11        | 11        |
| GS-12                       | 5    | 5         | 5         |
| GS-11                       | 8    | 8         | 8         |
| GS-10                       | 1    | 1         | 1         |
| GS-9                        | 5    | 5         | 5         |
| GS-8                        | 6    | 6         | 6         |
| GS-7                        | 15   | 15        | 15        |
| GS-6                        | 19   | 19        | 19        |
| GS-5                        | 14   | 14        | 14        |
| GS-4                        | 11   | 11        | 11        |
| GS-3                        | 6    | 6         | 6         |
| GS-2                        | 1    | 1         | 1         |
| Total, Permanent Positions: | 171  | 173       | 175       |
| Staff Years:                |      |           |           |
| Ceiling.....                | 171  | 173       | 175       |
| Non-ceiling.....            | 1    | 1         | 1         |
| TOTAL.....                  | 172  | 174       | 176       |

## EXTENSION SERVICE

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                  | <u>1989</u>        | <u>1990</u>        | <u>1991</u>        |
|--------------------------------------------------|--------------------|--------------------|--------------------|
| Personnel Compensation:                          |                    |                    |                    |
| Headquarters.....                                | \$7,936,907        | \$8,102,000        | \$8,350,000        |
| Field.....                                       | - -                | - -                | - -                |
| 11 Total Personnel Compensation.....             | 7,936,907          | 8,102,000          | 8,350,000          |
| 12 Personnel Benefits.....                       | <u>1,188,564</u>   | <u>1,210,000</u>   | <u>1,244,000</u>   |
| Total Pers. Comp. & Benefits.....                | 9,125,471          | 9,312,000          | 9,594,000          |
| Other Objects:                                   |                    |                    |                    |
| 21 Travel.....                                   | 643,139            | 640,000            | 640,000            |
| 22 Transportation of things.....                 | 39,296             | 35,000             | 30,000             |
| 23.2 Communications, utilities & other rent..... | 697,522            | 680,000            | 630,000            |
| 24 Printing & reproduction.....                  | 480,121            | 450,000            | 418,000            |
| 25 Other services.....                           | 1,264,805          | 1,250,000          | 1,200,000          |
| 26 Supplies & materials.....                     | 210,492            | 200,000            | 150,000            |
| 31 Equipment .....                               | 142,014            | 140,000            | 100,000            |
| 41 Grants, subsidies & contributions.....        | <u>347,257,132</u> | <u>357,951,000</u> | <u>332,914,000</u> |
| Total other objects.....                         | <u>350,734,521</u> | <u>361,346,000</u> | <u>336,082,000</u> |
| Total direct obligations.....                    | <u>359,859,992</u> | <u>370,658,000</u> | <u>345,676,000</u> |
| <u>Position Data:</u>                            |                    |                    |                    |
| Average Salary, ES positions.....                | \$ 75,913          | \$77,963           | \$92,944           |
| Average Salary, GM/GS positions.....             | \$ 37,445          | \$38,456           | \$38,960           |
| Average Grade, GM/GS positions.....              | 9.99               | 9.99               | 9.99               |

## EXTENSION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

1        Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended [by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962, (7 U.S.C. 341-349), section 506 of the Act of June 23, 1972,] and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), to be distributed under sections 3(b) and 3(c) of said Act, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, [\$244,094,000;] \$246,535,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, [\$58,635,000; payments for the urban gardening program under section 3(d) of the Act, \$3,500,000] \$21,600,000; payments for the pest management program under section 3(d) of the Act, \$7,164,000; [payments for the farm safety program under section 3(d) of the Act, \$970,000;] payments for the pesticide impact assessment program under section 3(d) of the Act, [\$2,580,000;] \$3,580,000; grants to upgrade 1890 land-grant college extension facilities as authorized by section 1416 of Public Law 99-198, \$9,508,000, to remain available until expended; [payments for an integrated reproductive management program under section 3(d) of the Act, \$47,000; payments for the rural development centers under section 3(d) of the Act, \$950,000;] payments for extension work under section 209(c) of Public Law 93-471, [\$953,000;] \$1,000,000; payments for a groundwater quality program under section 3(d) of the Act, [\$5,250,000; payments for a financial management assistance program under section 3(d) of the Act \$1,427,000; for special grants for financially stressed farmers and dislocated farmers as authorized by Public Law 100-219, \$3,350,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, \$2,765,000;] \$15,500,000; payments for youth at risk programs under section 3(d) of the Act \$10,000,000; payments for a food safety program under section 3(d) of the Act \$2,000,000; and payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee University, [\$22,000,000] \$23,092,000; in all, [\$363,146,000 of which not less than \$79,400,000 is for Home Economics:] \$339,979,000; Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

6        Federal administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962, section 506 of the Act of June 23, 1972, section 209(d) of Public Law 93-471, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$8,811,000; of which not less than \$2,300,000 is for Home Economics.] \$5,697,000 (Rural Development, Agriculture, and Related Agencies Appropriation Act, 1990.)



The first change is for the purpose of deleting language citing statutory authority that is redundant to preceding citations. This will allow the language in the Explanatory Notes to agree with the enacted appropriations language for the Extension Service.

The second change is for the purpose of deleting language providing for earmarked funding for Urban Gardening, Farm Safety, Farm Financial Management Assistance, Integrated Reproductive Management and Rural Development Centers. Earmarked funding for these programs is not proposed in fiscal year 1991.

The third change deletes language providing earmarked funding for Disadvantaged Farmer Assistance Grants under the Food Security Act of 1985 and programs funded under the Renewable Resources Extension Act. Earmarked funding for these programs is not proposed in fiscal year 1991.

The fourth change is for the purpose of adding language for funding Youth at Risk and Food Safety programs under section 3(d) of the Smith-Lever Act.

The fifth and sixth changes delete the requirement establishing a level of support for Extension's Home Economics program. This provision conflicts with the proposed reduction of the EFNEP funding as well as the primary intent of the Smith-Lever Act giving maximum flexibility to the State Cooperative Extension Services in determining programs needing attention in the respective States.

EXTENSION SERVICE

|                                 |                    |
|---------------------------------|--------------------|
| Appropriation Act, 1990 .....   | \$371,957,000      |
| Budget Estimate, 1991 .....     | <u>345,676,000</u> |
| Decrease in Appropriation ..... | <u>-26,281,000</u> |

## Adjustments in 1990

|                                                     |                   |                    |
|-----------------------------------------------------|-------------------|--------------------|
| Appropriations Act, 1990 .....                      | \$371,957,000     |                    |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177) ..... | <u>-2,777,000</u> |                    |
| Adjusted Base for 1990 .....                        |                   | 369,180,000        |
| Budget Estimate, Current Law, 1991 .....            |                   | <u>345,676,000</u> |
| Decrease from Adjusted 1990 .....                   |                   | <u>-23,504,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(On basis of adjusted appropriation)

| <u>Item of Change</u>                           | <u>1990<br/>Estimated</u> | <u>Pay<br/>Costs</u> | <u>Program<br/>Changes</u> | <u>1991<br/>Estimated</u> |
|-------------------------------------------------|---------------------------|----------------------|----------------------------|---------------------------|
| Smith-Lever Sections 3b&c.....                  | \$242,272,000             | - -                  | +\$4,263,000               | \$246,535,000             |
| Smith-Lever Section 3d:                         |                           |                      |                            |                           |
| Food Safety.....                                | - -                       | - -                  | +2,000,000                 | 2,000,000                 |
| Youth at Risk.....                              | - -                       | - -                  | +10,000,000                | 10,000,000                |
| Water Quality.....                              | 5,211,000                 | - -                  | +10,289,000                | 15,500,000                |
| Food and Nutrition Education...                 | 58,197,000                | - -                  | -36,597,000                | 21,600,000                |
| Pest Management.....                            | 7,110,000                 | - -                  | +54,000                    | 7,164,000                 |
| Farm Safety.....                                | 963,000                   | - -                  | -963,000                   | - -                       |
| Pesticide Impact Assessment....                 | 2,561,000                 | - -                  | +1,019,000                 | 3,580,000                 |
| Urban Gardening.....                            | 3,474,000                 | - -                  | -3,474,000                 | - -                       |
| Financial Management.....                       | 1,416,000                 | - -                  | -1,416,000                 | - -                       |
| Rural Development Centers.....                  | 943,000                   | - -                  | -943,000                   | - -                       |
| Renewable Resource Extension Act.               | 2,744,000                 | - -                  | -2,744,000                 | - -                       |
| D.C. Extension.....                             | 946,000                   | - -                  | +54,000                    | 1,000,000                 |
| Disadvantaged Farmer<br>Assistance Grants.....  | 3,325,000                 | - -                  | -3,325,000                 | - -                       |
| 1890 Colleges and<br>Tuskegee University.....   | 21,836,000                | - -                  | +1,256,000                 | 23,092,000                |
| 1890's Facilities.....                          | 9,437,000                 | - -                  | +71,000                    | 9,508,000                 |
| Federal Administration<br>and Coordination..... | <u>8,745,000</u>          | <u>+197,000</u>      | <u>-3,245,000</u>          | <u>5,697,000</u>          |
| Total, Available.....                           | <u>369,180,000</u>        | <u>+197,000</u>      | <u>-23,701,000</u>         | <u>345,676,000</u>        |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Project                | 1989           |                           | 1990           |                           | Increase<br>or<br>Decrease | 1991           |                           |
|------------------------|----------------|---------------------------|----------------|---------------------------|----------------------------|----------------|---------------------------|
|                        | Actual         | Staff:<br>Amount    Years | Estimated      | Staff:<br>Amount    Years |                            | Estimated      | Staff:<br>Amount    Years |
| 1. Payments to States: |                |                           |                |                           |                            |                |                           |
| a. Smith-Lever Act     |                |                           |                |                           |                            |                |                           |
| (1) Sections 3b & c    |                |                           |                |                           |                            |                |                           |
| Program.....           | \$235,747,240: | --                        | \$236,422,120: | --                        | +\$4,092,480               | \$240,514,600: | --                        |
| Set-aside for          |                |                           |                |                           |                            |                |                           |
| Federal Admin-         |                |                           |                |                           |                            |                |                           |
| istration (4%)         | 5,822,760:     | --                        | 5,849,880:     | --                        | +170,520                   | 6,020,400:     | --                        |
| Subtotal, Sections     |                |                           |                |                           |                            |                |                           |
| 3b & c.....            | 241,570,000:   | --                        | 242,272,000:   | --                        | +4,263,000(1)              | 246,535,000:   | --                        |
| (2) Section 3(d):      |                |                           |                |                           |                            |                |                           |
| Program:               |                |                           |                |                           |                            |                |                           |
| Food Safety.....       | --             | --                        | --             | --                        | +2,000,000                 | 2,000,000:     | --                        |
| Youth at Risk...       | --             | --                        | --             | --                        | +10,000,000                | 10,000,000:    | --                        |
| Water Quality...       | 1,500,000:     |                           | 5,211,000:     | --                        | +10,289,000                | 15,500,000:    | --                        |
| Food and Nutri-        |                |                           |                |                           |                            |                |                           |
| tion (EFNEP)...        | 58,635,000:    | --                        | 58,197,000:    | --                        | -36,597,000                | 21,600,000:    | --                        |
| Pest Management..      | 7,164,000:     | --                        | 7,110,000:     | --                        | +54,000                    | 7,164,000:     | --                        |
| Farm Safety.....       | 970,000:       | --                        | 963,000:       | --                        | -963,000                   | --             | --                        |
| Pesticide Impact:      |                |                           |                |                           |                            |                |                           |
| Assessment.....        | 1,633,000:     | --                        | 2,561,000:     | --                        | +1,019,000                 | 3,580,000:     | --                        |
| Urban Gardening..      | 3,500,000:     | --                        | 3,474,000:     | --                        | -3,474,000                 | --             | --                        |
| Financial Mgmt..       | 1,427,000:     | --                        | 1,416,000:     | --                        | -1,416,000                 | --             | --                        |
| Integrated Re-         |                |                           |                |                           |                            |                |                           |
| productive Mgmt:       | 47,000:        | --                        | --             | --                        | --                         | --             | --                        |
| Rural Develop-         |                |                           |                |                           |                            |                |                           |
| ment Centers...        | 950,000:       | --                        | 943,000:       | --                        | -943,000                   | --             | --                        |
| Subtotal, Section      |                |                           |                |                           |                            |                |                           |
| 3(d).....              | 75,826,000:    | --                        | 79,875,000:    | --                        | -20,031,000(2)             | 59,844,000:    | --                        |
| Total, payments under  |                |                           |                |                           |                            |                |                           |
| the Smith-Lever Act..  | 317,396,000:   | 144                       | 322,147,000:   | 146                       | -15,768,000                | 306,379,000:   | 148                       |

| Project                                                               | 1989        |        | 1990        |        | Increase<br>or<br>Decrease | 1991        |        |
|-----------------------------------------------------------------------|-------------|--------|-------------|--------|----------------------------|-------------|--------|
|                                                                       | Actual      | Staff: | Estimated   | Staff: |                            | Estimated   | Staff: |
|                                                                       | Amount      | Years  | Amount      | Years  |                            | Amount      | Years  |
| b. Payments under Renewable Resources Extension Act.....              | 2,765,000   | --     | 2,744,000   | --     | -2,744,000(3)              | --          | --     |
| c. Payments to the District of Columbia:                              |             |        |             |        |                            |             |        |
| Program.....                                                          | 914,880     | 1      | 908,160     | 1      | +51,840                    | 960,000     | 1      |
| Set-aside for Federal Administration (4%)...                          | 38,120      | --     | 37,840      | --     | +2,160                     | 40,000      | --     |
| Total, payments to the District of Columbia.....                      | 953,000     | 1      | 946,000     | 1      | +54,000(4)                 | 1,000,000   | 1      |
| d. Payments to 1890 Colleges and Tuskegee Univ:                       |             |        |             |        |                            |             |        |
| Program.....                                                          | 17,559,360  | 1      | 20,962,560  | 1      | +1,205,760                 | 22,168,320  | 1      |
| Set-aside for Federal Administration (4%)...                          | 731,640     | --     | 873,440     | --     | +50,240                    | 923,680     | --     |
| Total, payments to 1890 Colleges and Tuskegee University...           | 18,291,000  | 1      | 21,836,000  | 1      | +1,256,000(5)              | 23,092,000  | 1      |
| e. 1890's Facilities.                                                 | 9,508,000   | --     | 9,437,000   | --     | +71,000                    | 9,508,000   | --     |
| f. Payments for Disadvantaged Farmers Ass't ...                       | 3,350,000   | --     | 3,325,000   | --     | -3,325,000(6)              | --          | --     |
| 2. Federal Administration and Coordination (Direct Appropriation).... | 9,074,992   | 25     | 8,745,000   | 25     | -3,048,000(7)              | 5,697,000   | 25     |
| Unobligated balance.....                                              | 32,008      | --     | --          | --     | --                         | --          | --     |
| Total available or estimated.....                                     | 361,370,000 | 171    | 369,180,000 | 173    | -23,504,000                | 345,676,000 | 175    |
| Reductions pursuant to P.L. 99-177.....                               | --          |        | 2,777,000   |        |                            |             |        |
| Total, Appropriation:                                                 | 361,370,000 |        | 371,957,000 |        |                            |             |        |

Explanation of Program

Appropriations for the Extension Service enable the U.S. Department of Agriculture to perform its partnership role with State and local counterparts to carry out Cooperative Extension work for the benefit of our Nation's farmers and ranchers, and agricultural industries, rural and urban communities, families and youth, and the ultimate consumers of agricultural goods and services.

Cooperative Extension work is authorized under the Smith-Lever Act of 1914, as amended; the Rural Development Act of 1972, as amended; and the District of Columbia Public Postsecondary Education Reorganization Act. The National Agricultural Research, Extension and Teaching Policy Act Amendments of 1981 and 1985 (Title XIV of the Agriculture and Food Acts of 1981 and 1985) also authorize the Federal Government, States and counties to implement cooperative Extension programs commensurate with needs stemming from changes in U.S. agricultural practices and the world food and agricultural situation.

The Extension Service, an agency in USDA, is a legislated partner in the cooperative effort with each State, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Marianas, and Micronesia.

Extension work in States and counties is financed from Federal, State, county and local sources and is jointly planned with ES-USDA to provide educational programs adapted to national, state, and local problems and conditions. Extension helps people identify and solve their farm, home, and community problems through use of research findings of the U.S. Department of Agriculture and the State Land-Grant colleges and universities.



## JUSTIFICATION OF INCREASE/DECREASE

- (1) An increase of \$4,263,000 for programs under section 3(b)&(c) of the Smith-Lever Act (\$242,272,000 available in FY 1990).

Need for Change. The Smith-Lever formula funds provide for a network and resources of professional staff and volunteers, with integrated partnerships involving Federal/State/County governments, research, agribusiness, and the private sector. Through this unique nationwide network, key functions are performed in support of national interests.

- o Provides nationwide leadership in adapting and transferring agricultural science and technology.
- o Anticipates and responds educationally to critical national issues affecting the food and agricultural system.
- o Mobilizes resources to respond to national disasters and catastrophes.
- o Develops a cadre of volunteers prepared to serve the Nation, the state and the community.

Federal support for the Cooperative Extension System comes primarily from these sources of funds. Formula funds are more than matched by the states and county cooperators (currently \$2.00 of non-Federal for each Federal dollar, on the average) and distributed on the basis of the rural and farm population of each state. The core of state and county extension programs are financed from these sources. Appropriate levels of formula funding provide for a consistent, stable, dependable, and reliable base of programming resources for all levels of the partnership to carryout common objectives. These funds also enable the Cooperative Extension System to sustain basic expertise in key scientific areas.

Equally important, USDA and the State Agricultural Experiment Stations depend upon the Extension System to help identify food and agricultural problems, to assist in the design and conduct of field experiments, and to help convert research results into practical and usable form. Demands for new technology to improve agricultural competitiveness, expand foreign markets as well as conserve a sufficient natural resource base for future needs, require a continued strong collaboration between research and extension.

Nature of Change. Basic formula funding has been constant for a number of years. Except for nominal increases required in implementing the new retirement system (FERS), Extension formula funds have not kept pace with inflation, in contrast to state funding. Strong Federal support allows the System to address National priorities effectively and timely. State Extension Services, especially those in geographically small or less densely populated states, are continuing to retrench program capacity.

- (2) A net decrease of \$20,031,000 for programs under Section 3(d) of the Smith-Lever Act (\$79,875,000 available in FY 1990).

- (a) An increase of \$10,289,000 for Water Quality program under Section 3(d) of the Smith-Lever Act (\$5,211,000 available in FY 1990).

Need for Change. To provide National leadership in the development and delivery of educational programs necessary to achieve the objectives of the President's Water Quality Initiative. These programs will:

- o Transfer to farmers and ranchers the results of Federal and University research that enables them to better manage their use of agricultural chemicals.
- o Address public and Congressional concerns about the impacts of agricultural chemicals in groundwater

- o Influence how farmers and landowners assess the benefits and risks of the use of agricultural chemicals
- o Increase awareness of the likely impacts of pesticides and nitrates on groundwater quality
- o Increase awareness of rural residents of their dependence upon groundwater, and their responsibilities to protect it from contamination.
- o Conduct education and information programs on improved management practices, that will provide farmers with appropriate technology to minimize water contamination.

The 1991 budget request would provide funds for Extension Service, USDA and the Cooperative Extension System to provide educational programs that encourage the voluntary adoption of management systems and practices that are economically viable and compatible with the maintenance or enhancement of water quality. Education and technical assistance are essential components of the Water Quality Initiative. The Initiative is a coordinated governmentwide program involving several USDA agencies, in cooperation with the Environmental Protection Agency, and the U.S. Geologic Survey. This budget request reflects the need for strong educational programs to support the President's Initiative.

Nature of Change. This budget allows the Extension System to fulfill its responsibilities with other federal and USDA agencies involved in the Water Quality Initiative. Demonstration projects; Non-Point Source Hydrologic Units Projects; and Regional Projects and Program Support Capabilities will be expanded to insure Extension System can accomplish its missions and responsibilities under the Water Quality Plan.

Demonstration Projects. These projects will be used to demonstrate how producers can quickly and effectively modify their farming practices to reduce agrichemical impacts on water quality on a multi-county or regional basis. This increase will allow the Extension System to expand from 8 to 16 such projects, in keeping with the five-year plan developed jointly with SCS and other action agencies. These projects will address high-priority problem areas, with focus on the voluntary adoption of practices that address specific water quality impacts from agriculture. ARS and CSRS will be involved in identifying specific mechanisms of agricultural impacts and the effects of these programs in enhancing water quality.

Non-point Source Hydrologic Units. These programs will address watershed management units having use-impairments primarily from agricultural non-point sources, as identified in State Non-point Source Assessment Reports (components of "319" plans), and will be conducted jointly with SCS, ASCS and the research agencies. This increase will allow the Extension System to expand its part of these programs from the initial 37 projects being initiated in FY90. Consistent with the budget proposals of other agencies, this funding level will also allow the Extension System to expand to an additional 37 projects. The Extension System will develop and conduct intensive, directed educational programs in each of the project areas.

Improved Program Support Capabilities. This component of the education and technical assistance plan will provide for the development of new agricultural practices to protect or enhance water quality; will assist in the preparation of appropriate technical materials; will support regional water quality program capabilities and resources; will assist in the training of an estimated 13,000 Federal and State agency personnel in the complexities of the interactions of land use, agrichemical use, and water quality; and in the subsequent delivery of such programs to agricultural audiences. These investments will increase the effectiveness of State and Federal personnel and of targeted water quality enhancement programs.

Regional Projects. This component would provide educational programs to large scale areas, that include the Chesapeake Bay, The Gulf of Mexico, the Great Lakes, the national Estuaries program, and EPA's programs in the protection of sole source aquifers and water-supply wellheads. Projects would be conducted jointly with USDA agencies and other Federal and State agencies, and would be targeted to creating awareness on a broad scale; and to catalyzing State and county programs in specific critical areas where agriculture is impacting water quality.

- (b) An increase of \$10,000,000 for Youth-at-Risk programs under Section 3(d) of the Smith-Lever Act (No funding available in FY 1990).

Need for Change. In the study "Youth The American Agenda", a report of the Cooperative Extension System, it was noted that youth are "at risk" from three primary situations: (1) Poverty, (2) Lack of Parenting, and (3) Negative Peer Pressure. Any one of the three conditions creates a risk for youth, but two or three working negatively and simultaneously creates a greater probability of losing a productive young person. An area of extreme concern is school dropouts. Young people are leaving school unable to read or function in the world of work. Other present-day societal problems include teen pregnancy, substance abuse, teen suicide, illiteracy and poor job skills.

The primary objective of this new program proposal is to implement targeted prevention and intervention programs to improve the opportunities for youth and reduce the adverse conditions causing risk. More specifically:

- o Increase the employability of youth to enter and be productive in business and industry.
- o Enlist the support of local communities, the private sector, and volunteers to form coalitions strengthening the local government commitments for youth.
- o Increase the self confidence and skills of youth to cope with adverse conditions and become mature contributing adults.
- o Reduce the long-term costs to society for medical, welfare and incarceration of individuals failing to reach productivity.
- o Involve parents in educational programs which build their parenting skills.

The economic impact is staggering. The cost to society in terms of providing institutions, medical care, and welfare is immense. Illiteracy and lack of job and work skills prohibit many youth from entering the work force. If business and industry are also required to provide basic skills, then those costs will be passed on to the customer inhibiting the competitiveness of U.S. business and industry.

The Extension System's proven history of educating young people allows for considerable leveraging of additional funds and resources. The Extension System can enlist the support of local communities, the private sector, and the independent volunteer sector to form vital coalitions to maximize the efforts against the adverse conditions impacting on youth and families.

The Land-Grant Universities, partners in the Cooperative Extension System, are in a unique position to expand their outreach role and focus on youth development. Other supporting reasons for the Extension System to be successful in youth at risk programming include:

- a history of working in and with schools.
- a successful ongoing youth program reaching 4.8 million youth.
- experience in recruiting, training and managing volunteers.
- expertise in developing youth peer groups.
- experience in accessing the technical expertise of university faculty and the private sector.
- experience with coalition building to engage the resources of communities (public and private).



Nature of Change. Programs will be addressed through two major avenues. First, the Cooperative Extension System can provide programs modeled after existing successful projects which have been developed in various States. These programs are operated with professionals, paraprofessionals, and volunteers and provide direct educational services to clients. A second avenue is for Cooperative Extension to provide supporting service and training to existing or start-up projects operated by other entities. In both avenues, the Cooperative Extension System can offer educational services at a level appropriate to the needs of a particular client.

Cooperative Extension's university based expertise can improve management and leadership abilities, can assist in developing a cadre of skilled volunteers, and can enhance program content by offering research-based curricula in a variety of topics.

Under this proposal, the State Extension Services would identify specific communities or neighborhoods where needs are significant in terms of risk factors, poverty, high incidence of drug use, teen pregnancy, school dropouts, AIDS and homeless youth. These communities/neighborhoods would meet criteria for a comprehensive prevention/intervention project proposal for funding.

Community neighborhood size may range, up to 80,000 people. Multiple projects may exist in large cities. The target for this budget item is 30 to 40 communities with a commitment for multi-year support.

To assure maximum success of these projects, the following criteria will be required from the States:

- community based program delivery
- formation of a local coalition
- private sector support of time and fiscal resources from other agencies and organizations
- interdisciplinary support from the university
- local sources of funds -- including full matching with State or local government funds with an additional 50% match from private or non-profit organization funds

Examples of areas of emphasis include:

High Risk Youth - Extension's approach to most at risk youth will be through cooperative and coalition efforts with other agencies for training and program evaluation relating to crisis intervention.

A broad array of university resources will be used to create materials and strategies for training and for cooperation with other community agencies and organizations.

This support and training can lead to strengthening and expanding of program efforts. This approach is aimed at improving school performance, returning dropouts to a learning environment, and improving the overall situation of youth at risk.

School-Age Child Care: Extension would assist communities in the establishment of after-school child care programs where the need is critical. The Extension System has already initiated pilot program efforts with school-age child care. Its experience with youth development, experiential education curriculum, and a successful history of working with schools to complement programs gives Extension a unique role in providing programs that can be used to create dependable and high quality child care programs that are widely needed.

Funds are needed for "start-up" efforts to include training of private and public providers on topics of facilities, health, safety, nutrition, and youth development. Second, programs would be designed to be mostly self-supporting from user fees and state subsidies for low-income participants with fees established on the basis of ability to pay.

- (c) An increase of \$2,000,000 for Food Safety programs under Section 3(d) at the Smith-Lever Act (No funding available in FY 1990).

Need for Change. The Federal Government spends millions annually protecting our food. Surveys have shown that the American public feels that protection of our food system should be a major responsibility of the Federal Government, but that they ultimately make the food safety decisions that protect their health. This year's consumer response to Alar use on apples was a clear reflection of this as sales plummeted 30 percent. This action moved consideration of the safety of Alar out of the regulatory arena as producers responded by voluntarily discontinuing the use of Alar and demanding its removal.

Extension is the only nationwide educational network that links research, science and technology to the needs of people. Currently, the Cooperative Extension System is engaged in a variety of educational programs to provide all members of the food chain—producers, processors, handlers, and consumers—with the skills needed to protect the food supply. These existing programs can serve as the foundation for the additional programs required to maximize the safety and wholesomeness of the food supply.

Increased coordination could benefit producers by supplying a uniform and accessible knowledge-base to use for production programs. By a more focused effort, food safety problems, such as aflatoxin contamination, could be more effectively addressed. The Food and Animal Residue Avoidance Database (FARAD) will assist this effort by reducing the incidence of illegal residues in foods of animal origin through a directed educational effort at the farm level, and will insure the availability of useful research-based information on a broad range of possible volatile chemicals to producers, educators, service, regulatory, and research personnel as well as to consumers and the media.

Nature of Change. In order to address these critical food safety issues, programs will be developed to do the following:

- o Develop and implement model programs and projects that will achieve desired impacts described above among producers, consumers, the media and other members of the food chain. Federal funds to be matched by state and/or local resources.
- o Develop materials for a nationwide educational program on addressing the production environment and minimizing the presence of microbes, and foodborne disease (biosecurity) to increase the adoption, by producers, of a biosecurity program.
- o Provide proactive, educational programs on relevant, emerging food safety issues, such as pesticide use on produce for cosmetic purposes and aflatoxin contamination.
- o Coordinate, at the national level, interactions with FSIS, FDA, EPA, ERS and the private sector to design a framework for cooperation, identify priority issues, establish goals and coordinate a response.
- o Expand and update the FARAD to include new information and data on additional chemicals that are potential residue violators.
- o Expand and update educational materials and programs on residue avoidance for use in all states.
- o Initiate development of methods of certification or verification for voluntary quality assurance programs for at least two species of food animals and initiate educational efforts with producers.

- (d) A decrease of \$36,597,000 in payments to States for the Expanded Food and Nutrition Education Program (EFNEP) under Section 3(d) of the Smith-Lever Act (\$58,197,000 available in FY 1990).



Need for Change. The target audience for EFNEP is eligible for, and is usually participating in, Federal food assistance programs and may also be receiving State and/or local public assistance as well. EFNEP is designed to work closely with Federal food assistance programs to increase their effectiveness, but there is a need to more closely involve State and local entities in various aspects of EFNEP, including funding. The basic program would concentrate on: (1) increased cooperation with food stamps; WIC and other Federal as well as State and local programs to identify families needing assistance; (2) providing in-depth training for volunteers from either public or private organizations that can serve as extenders of EFNEP food and nutrition education; and (3) extending effective methods that use fewer personal contacts for program delivery. The program would focus on the most critical food and nutrition needs of low income families, providing flexibility to incorporate non-traditional teaching methods that are especially effective helping low income families with young children.

Funding at this level would include a basic EFNEP youth component, which would specifically target low income youth with special needs. Food and nutrition principles would be taught in a setting which encourages an understanding of the relationship between food and fitness, and the vital role each plays in good health. The program would be closely allied with 4-H to involve youth in additional 4-H projects designed for youth development. It is anticipated that community support would further expand this EFNEP youth outreach and enhance the available resources to implement the core program.

Nature of Change. Seven States received Federal funding for work on developing and testing cost-effective program delivery models working in cooperation with other agencies and private groups, such as WIC, Head Start, health clinics, Salvation Army, Community Action agencies, family shelters, Project Read literacy group and others. The purpose of these projects was to develop increased cost effectiveness through recruiting pre-formed groups for EFNEP instruction and to test model programs which may be replicated in other States. Six additional projects were made possible by funding from the private sector to support program delivery innovation for the youth component.

In January 1990, a national advisory committee on reaching limited resource audiences was formed. Among its duties is a responsibility to consider ways of using EFNEP as a springboard for reaching hard-to-reach audiences with basic life skills necessary to address a wide range of needs. The intent is to more fully integrate EFNEP with other programs being developed, or already existing, which address the myriad needs of low income families.

The funding level requested allows the Extension Service to provide a nutrition education program to some of the recipients of Federal food assistance programs. At the proposed funding level, EFNEP would use the innovations outlined above to reach as many high risk families as possible.

Proposed FY 1991 funding levels for EFNEP are based on the premise that States will match the federal funding for this programs.

- (e) An increase of \$1,019,000 for the National Agricultural Pesticide Impact Assessment Program (NAPIAP) (\$2,561,000) available in FY 1990).

Need for Change. The Pesticide Impact Assessment program provides management and coordination of USDA and State activity to promote informed regulatory decisions on registered pesticides that significantly benefit U.S Agriculture without causing unreasonable adverse effects on the environment.

These funds will provide support for the Cooperative Extension System's participation in the joint State-Federal National Agricultural Pesticide Impact Assessment Program (NAPIAP). Specifically, the increased funding requested will provide for meeting the following objectives:

- o Complete the development of a national database of pesticide usage by county and commodity.
- o Increase the capability of developing pesticide assessments annually from 11 in 1990 to 36 in 1992 and thereafter.
- o Evaluate new pesticides and pesticide alternatives.
- o Develop projects to evaluate pest control measures relating to endangered species habitat.

EPA is required under Section VI of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) to refer to the Secretary of Agriculture all proposed cancellation actions. The Secretary must be prepared to respond based upon the data that have been collected. Much of this information is derived through the Cooperative Extension System.

Recent developments regarding pesticides in groundwater, residues in food, endangered species, and the general acceleration of EPA's re-registration program are placing increased pressure on the agriculture system to provide the needed data. As a result of the re-registration activity EPA has plans to increase threefold the current number of chemicals in their special review program. This significant increase over recent years requires additional responses from the Cooperative Extension System.

The NAPIAP will be required to gather and analyze information on each of these chemicals. Data on pesticide usage and current research data will be needed to meet this increased requirement.

Currently, about 20 staff years from the Cooperative Extension System are required to complete 11 pesticide assessments. About 90 percent of the staff commitment is provided by State Extension staff. With the availability of pesticide use data and some augmentation to the USDA/Extension Service staff, up to 36 assessments can be completed. With this organization and output approximately 40 percent of the staff commitment would be provided by the States. This arrangement will allow closer coordination and timeliness of the assessments, as well as allowing State staff to conduct more applied research on the efficacy of new pesticides and pesticide alternatives.

Nature of Change. These funds will be utilized to support Extension participation on the assessment teams which will respond to Federal regulatory issues on specific or groups of pesticides. Without the requisite data, chemicals essential to agricultural production might be removed from the market place unnecessarily.

The requested increase for FY 1991 is to; complete the National database of pesticide usage; evaluate pest control measures in endangered species habitat; and evaluate new pesticides and pesticides alternatives.

- (f) A decrease of \$6,796,000 for the earmarked programs listed below (\$6,796,000 available in FY 1990):

A decrease of \$963,000 to eliminate earmarked funding for Farm Safety (\$963,000 available in FY 1990).

A decrease of \$3,474,000 to eliminate the Urban Gardening Program (\$3,474,000 available in FY 1990).

A decrease of \$1,416,000 to eliminate the special funding for assistance to farmers in Financial Management (\$1,416,000 available in FY 1990).

A decrease of \$943,000 to eliminate earmarked funding for the Rural Development Center (\$943,000 available in FY 1990).

Need for Change. Programs in these specific areas have been developed with prior earmarked funds. Funding from basic formula programs, State and local governments and private sources could be used to continue high priority aspects of these programs.

Nature of Change. This proposal will eliminate specifically earmarked funding for certain low priority programs under Section 3(d) of the Smith-Lever Act.

- (3) A decrease of \$2,744,000 to eliminate earmarked funding for the Renewable Resources Extension Act (RREA) (P.L. 95-306) (\$2,744,000 available in FY 1990).

Need for change. RREA funds have assisted State and local efforts to initiate and develop programs in forest and range conservation and utilization. These funds have stimulated additional State and local support for educational programs for small, private, non-industrial forest and range landowners. Funding from basic formula programs, State and local governments and private sources could be used to continue high priority aspects of these programs.

Nature of Change. This proposal will eliminate specifically earmarked funding for the Renewable Resources Extension Act.

- (4) An increase of \$54,000 for payments to D.C. Extension (\$946,000 available in FY 1990).

Need for Change. The D.C. Cooperative Extension Service is the only unit in the national system that conducts Extension programs strictly for the benefit of urban clientele. Programs are concentrated on the development of necessary skills to help inner city low-income and needy residents cope with daily life. Programs to be carried out at this level include proper management of limited resources, energy conservation, home repairs, human nutrition, family living, youth development, and environment and community improvements.

The D.C. Extension program serves as a catalyst for cost-effectiveness in public assistance programs available to the low-income and needy residents of the Nation's Capital. It provides the educational component to make these programs more effective, with a view toward increasing self-sufficiency among recipients.

Nature of Change. Funding at this level would permit D.C. Extension to continue the programs in home horticulture, family resource and nutrition education community development, and youth development. Additionally, D.C. Extension will continue programs which assist inner city low-income and needy residents in improving their quality of life. Programs will continue in limited resource management, energy conservation, home improvements, human nutrition, family living, youth development and environment and community improvements.

- (5) An increase of \$1,256,000 for the 1890 Colleges and Tuskegee University (\$21,836,000 available in FY 1990).

Need for Change. Through the 1890 institutions and the Tuskegee University, a major emphasis is given to the Department's efforts with small-scale and minority farmers. Programs of the 1890 land-grant universities and the U.S. Department of Agriculture are oriented and made available to hard-to-reach and predominantly limited resource clientele groups.

In coordination with the 1862 institutions, Extension programs at the 1890 institutions and Tuskegee University continue to help improve the quality of life of limited resource persons living in the 16 Southern border states. The primary mission of these institutions is to address the problems of a clientele group with limited resources in terms of adequate food, clothing and shelter.

Extension personnel at these institutions work with clientele to strengthen their ability to become contributing and productive citizens.

Several national problems existing today --- teenage pregnancy, school dropout by minority youth, underinvestment in human capital, family and economic stress, and poor nutrition, diet and health---can be addressed effectively by these institutions.



Nature of Change. There is an urgent need for increased funding to support Extension programs at 1890 land-grant institutions and Tuskegee University. As these institutions implement the national program initiatives in concert with 1862 counterparts, additional resources are required particularly in the following areas:

- o Drug Abuse Program - Funding for this initiative is necessary to develop and implement programs to address a problem primarily affecting minority and low-income youth. There is a need to build strong family and community bonds for youth that will develop self esteem, promote pride and resist persistent school and community peer pressure.
- o Teenage Pregnancy Program - Identify and develop effective educational programs to significantly reduce this problem affecting the total country.
- o Aging Program - The number and proportion of people 65 and older is increasing faster than any other age group of the population. The unskilled minority elderly population is plagued with health, food shelter and other basic life problems which can be addressed by these institutions very effectively.

Through strong linkages with 1862 institutions and various external groups, both public and private, the 1890 institutions are playing a crucial role in identifying and targeting critical issues which can be more appropriately addressed through their unique relationships with limited resources groups.

- (6) A decrease of \$3,325,000 for payments to States for Disadvantaged Farmer Assistance (\$3,325,000 available in FY 1990).

Need for Change. Disadvantaged Farmer Assistance grants were provided to the States of Nebraska, Iowa and Missouri. Additionally, funds were distributed in grants to Kansas, Mississippi, North Dakota, Oklahoma and Vermont to provide educational and counseling programs for economically distressed or displaced farmers. Initiated during the farm crises, these problems are not as severe today and major national initiatives to address issues of agricultural profitability and rural revitalization are proposed. Funding from basic formula programs, State and local governments and private sources could be used to continue high priority aspects of these programs.

Nature of Change. This proposal will eliminate specifically earmarked funding for this program.

- (7) A net decrease of \$3,048,000 for Federal Administration and Coordination (direct appropriation) (\$8,745,000 available in FY 1990).

| Project                       | 1990       | Inc/Dec    | 1991        |
|-------------------------------|------------|------------|-------------|
| Technology transfer .....     | \$ 330,000 | -\$330,000 | --          |
| Farm financial mgmt .....     | 189,000    | -189,000   | --          |
| Rural Development .....       | 430,000    | -430,000   | --          |
| Crambe & rapeseed .....       | 64,000     | -64,000    | --          |
| American Pacific Init .....   | 645,000    | -645,000   | --          |
| New England Vertebrate ....   | 94,000     | -94,000    | --          |
| Rural Revitalization .....    | 137,000    | -137,000   | --          |
| Rural Education Model .....   | 846,000    | -846,000   | --          |
| Documentary films on          |            |            |             |
| American agriculture .....    | 174,000    | -174,000   | --          |
| Crop Simulation Project ...   | 496,000    | -496,000   | --          |
| Rural Rehabilitation Projects | 256,000    | -256,000   | --          |
| Presque Island .....          | 139,000    | -139,000   | --          |
| Subtotal .....                | 3,800,000  | -3,800,000 | --          |
| Base, federal administration  | 4,945,000  | +555,000   | \$5,500,000 |
| Annualization of pay raise    | --         | +197,000   | 197,000     |
| Total .....                   | 8,745,000  | -3,048,000 | 5,697,000   |

- (a) A decrease of \$3,800,000 for special projects (\$3,800,000 available in FY 1990).

Need for Change. Some of these projects have been funded for several years by the Congress. The results learned from them have been sufficiently integrated into ongoing programs and have generated additional resources from other than Federal funds to continue the expressed focus of the projects. Additionally, a number of these concerns are being addressed under other initiatives and funds within the budget request.

Nature of Change. This proposal will eliminate earmarked Federal funding support for these special projects.

- (b) An increase of \$555,000 for increased operating costs (\$4,945,000 available in FY 1990).

Need for Change. The Federal administration and coordination of State Extension Services across the country and several territories is critical to program and policy development and implementation. Through the leadership of ES-USDA, the Department and the Federal Government have access to a grassroots nationwide system that is extremely efficient at responding to current and emerging priorities and crises at the local, regional and national levels. As the Federal partner in the national Cooperative Extension System located in 3,150 counties, ES-USDA serves an effective catalyst in mobilizing and coordinating timely and effective educational expertise and assistance. However, ES-USDA's leadership capacity is seriously threatened by a protracted decline in resources.

The Extension Service-USDA's ability to provide direction to the Cooperative Extension System in responding to national concerns and issues such as water quality, drought, economic crisis, youth at risk, agricultural and rural technology needs and economic development is being seriously eroded by significant decreases in "purchasing power" dollar funding. Additional resources are very critical in restoring and maintaining appropriate levels of expertise to effectively provide national leadership, direction, and support to the System.

Nature of Change. Requested funding level will allow more attention to be given to the substantial responsibilities required of the Extension Service, both as a coordinator and as working partner with other Federal, state and local agencies and organizations. ES-USDA needs adequate resources to access the expertise of Extension personnel throughout the land-grant universities.

Through the use of shared positions with the universities and other Federal agencies, and the establishment of centers focusing on various issues developed by the "best minds" within the Extension System, ES-USDA can perform its national leadership role more effectively. More specifically, the Extension Service must be able to participate actively in interagency working groups and other USDA and administration initiatives. As a minimum, the Extension Service must be in a position to acquire expertise to meet and work with its partners and counterparts at all levels on critical issues and programs, such as water quality, youth at risk, pesticides and chemicals, food safety and other priority national concerns.

With the development and implementation of the National Initiatives programming within the Extension System, there have been some rather significant adjustments in the responsibilities expected of ES-USDA and the manner of providing national program leadership to the states. The task of national program leadership and management has become increasingly intense. The "team" concept of bringing together the various strengths of both the Extension System and stakeholders to address a national priority or concerns is of extreme necessity.

- c. An increase of \$197,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed. (No funding available in FY 1990).



Extension Service  
Geographic Breakdown of Obligations  
1989 and Estimated 1990 and 1991  
(Amounts in 000's)

| State/Territory               | FY1989<br>Actual<br>Obligations | Estimated Obligations |           |
|-------------------------------|---------------------------------|-----------------------|-----------|
|                               |                                 | FY 1990               | FY 1991   |
| Alabama.....                  | \$ 11,493                       | \$ 11,768             | \$ 10,709 |
| Alaska.....                   | 1,191                           | 1,172                 | 1,018     |
| Arizona.....                  | 2,778                           | 2,527                 | 2,055     |
| Arkansas.....                 | 8,150                           | 8,165                 | 7,466     |
| California.....               | 9,906                           | 9,795                 | 7,561     |
| Colorado.....                 | 3,552                           | 3,326                 | 2,859     |
| Connecticut.....              | 2,345                           | 2,313                 | 1,945     |
| Delaware.....                 | 1,855                           | 1,886                 | 1,736     |
| Florida.....                  | 7,716                           | 7,511                 | 6,220     |
| Georgia.....                  | 11,326                          | 11,358                | 10,024    |
| Hawaii.....                   | 2,241                           | 2,150                 | 1,238     |
| Idaho.....                    | 2,843                           | 2,675                 | 2,492     |
| Illinois.....                 | 10,866                          | 10,760                | 9,258     |
| Indiana.....                  | 8,706                           | 8,617                 | 7,886     |
| Iowa.....                     | 10,001                          | 9,467                 | 8,395     |
| Kansas.....                   | 6,533                           | 6,180                 | 5,335     |
| Kentucky.....                 | 11,588                          | 11,711                | 10,789    |
| Louisiana.....                | 8,981                           | 9,046                 | 7,799     |
| Maine.....                    | 2,415                           | 2,338                 | 2,058     |
| Maryland.....                 | 5,269                           | 5,266                 | 4,657     |
| Massachusetts.....            | 3,527                           | 3,493                 | 2,659     |
| Michigan.....                 | 9,582                           | 9,447                 | 8,335     |
| Minnesota.....                | 9,398                           | 8,636                 | 8,040     |
| Mississippi.....              | 10,491                          | 10,522                | 8,895     |
| Missouri.....                 | 11,353                          | 11,348                | 9,971     |
| Montana.....                  | 2,661                           | 2,554                 | 2,334     |
| Nebraska.....                 | 5,833                           | 5,663                 | 4,653     |
| Nevada.....                   | 1,272                           | 1,233                 | 1,090     |
| New Hampshire.....            | 1,644                           | 1,627                 | 1,445     |
| New Jersey.....               | 3,720                           | 3,652                 | 2,840     |
| New Mexico.....               | 2,486                           | 2,393                 | 2,053     |
| New York.....                 | 11,534                          | 10,977                | 8,498     |
| North Carolina.....           | 15,456                          | 15,562                | 14,241    |
| North Dakota.....             | 4,826                           | 4,697                 | 3,124     |
| Ohio.....                     | 11,037                          | 10,970                | 9,573     |
| Oklahoma.....                 | 8,002                           | 7,937                 | 6,811     |
| Oregon.....                   | 4,255                           | 3,914                 | 3,407     |
| Pennsylvania.....             | 11,450                          | 11,388                | 9,534     |
| Rhode Island.....             | 1,237                           | 1,211                 | 990       |
| South Carolina.....           | 8,614                           | 8,568                 | 7,710     |
| South Dakota.....             | 3,388                           | 3,374                 | 3,130     |
| Tennessee.....                | 12,013                          | 11,888                | 10,713    |
| Texas.....                    | 18,302                          | 18,472                | 16,047    |
| Utah.....                     | 1,984                           | 1,889                 | 1,661     |
| Vermont.....                  | 2,132                           | 1,923                 | 1,577     |
| Virginia.....                 | 10,689                          | 10,527                | 9,593     |
| Washington.....               | 4,584                           | 4,401                 | 3,854     |
| West Virginia.....            | 4,614                           | 4,536                 | 3,933     |
| Wisconsin.....                | 8,638                           | 8,427                 | 7,775     |
| Wyoming.....                  | 1,628                           | 1,558                 | 1,410     |
| American Samoa.....           | 370                             | 718                   | 675       |
| Guam.....                     | 753                             | 779                   | 737       |
| Micronesia.....               | 428                             | 780                   | 736       |
| Northern Mariana Islands..... | 458                             | 698                   | 656       |
| Puerto Rico.....              | 7,467                           | 7,410                 | 6,533     |
| Virgin Islands.....           | 744                             | 761                   | 720       |
| District of Columbia.....     | 915                             | 908                   | 960       |
| Sub-total                     | \$347,240                       | \$342,872             | \$298,413 |
| To be allocated:              |                                 |                       |           |
| Earmarked Efforts             | --                              | 9,050                 | 30,582    |
| FERS                          | --                              | 4,000                 | 4,000     |
| Federal Administration        | 14,130                          | 13,258                | 12,681    |

Table I  
 APPROPRIATION FOR PAYMENTS TO STATES  
 STATE ALLOTMENTS, FY 1989 - 1991

| Smith-Lever Act<br>Section 3(b) & 3(c) | FY 1989     | FY-1990     | Proposed<br>FY-1991 |
|----------------------------------------|-------------|-------------|---------------------|
| Alabama                                | \$5,231,812 | \$5,244,834 | \$5,326,709         |
| Alaska                                 | 751,085     | 754,061     | 772,771             |
| American Samoa                         | 641,034     | 643,477     | 658,837             |
| Arizona                                | 1,325,754   | 1,330,593   | 1,361,022           |
| Arkansas                               | 4,391,819   | 4,403,831   | 4,479,359           |
| California                             | 5,292,406   | 5,311,663   | 5,432,745           |
| Colorado                               | 2,080,741   | 2,088,183   | 2,134,974           |
| Connecticut                            | 1,567,538   | 1,573,019   | 1,607,481           |
| Delaware                               | 887,978     | 891,521     | 913,795             |
| Florida                                | 3,066,343   | 3,077,933   | 3,150,805           |
| Georgia                                | 5,820,150   | 5,836,835   | 5,941,747           |
| Guam                                   | 675,325     | 677,932     | 694,323             |
| Hawaii                                 | 953,304     | 956,394     | 975,821             |
| Idaho                                  | 1,869,751   | 1,877,112   | 1,923,395           |
| Illinois                               | 6,957,331   | 6,982,259   | 7,138,997           |
| Indiana                                | 6,245,485   | 6,268,916   | 6,416,241           |
| Iowa                                   | 6,625,561   | 6,651,022   | 6,811,110           |
| Kansas                                 | 3,887,790   | 3,901,435   | 3,987,228           |
| Kentucky                               | 6,641,167   | 6,662,435   | 6,796,161           |
| Louisiana                              | 3,893,054   | 3,903,734   | 3,970,885           |
| Maine                                  | 1,568,663   | 1,574,158   | 1,608,710           |
| Maryland                               | 2,383,356   | 2,391,302   | 2,441,260           |
| Massachusetts                          | 1,962,241   | 1,968,994   | 2,011,458           |
| Michigan                               | 6,339,179   | 6,361,272   | 6,500,186           |
| Micronesia                             | 692,347     | 695,173     | 712,941             |
| Minnesota                              | 6,216,814   | 6,239,419   | 6,381,552           |
| Mississippi                            | 5,447,039   | 5,458,945   | 5,533,803           |
| Missouri                               | 6,155,277   | 6,177,277   | 6,315,603           |
| Montana                                | 1,754,358   | 1,760,952   | 1,802,414           |
| Nebraska                               | 3,512,199   | 3,525,202   | 3,606,958           |
| Nevada                                 | 758,166     | 761,248     | 780,628             |
| New Hampshire                          | 1,110,041   | 1,114,556   | 1,142,943           |
| New Jersey                             | 1,929,934   | 1,936,589   | 1,978,430           |
| New Mexico                             | 1,428,607   | 1,433,409   | 1,463,600           |
| New York                               | 5,980,962   | 6,000,506   | 6,123,391           |
| North Carolina                         | 8,793,146   | 8,817,230   | 8,968,660           |
| North Dakota                           | 2,437,431   | 2,445,962   | 2,499,603           |
| Ohio                                   | 7,649,909   | 7,677,044   | 7,847,658           |
| Oklahoma                               | 3,939,478   | 3,952,012   | 4,030,822           |
| Oregon                                 | 2,470,842   | 2,480,371   | 2,540,283           |
| Pennsylvania                           | 7,480,070   | 7,505,264   | 7,663,677           |
| Puerto Rico                            | 5,594,387   | 5,603,199   | 5,658,609           |
| Rhode Island                           | 754,094     | 756,997     | 775,251             |
| South Carolina                         | 4,291,462   | 4,302,384   | 4,371,057           |
| South Dakota                           | 2,516,695   | 2,525,791   | 2,582,983           |
| Tennessee                              | 6,404,242   | 6,422,424   | 6,536,741           |
| Texas                                  | 8,872,600   | 8,899,685   | 9,069,983           |
| Utah                                   | 1,163,165   | 1,167,310   | 1,193,374           |
| Vermont                                | 1,239,850   | 1,244,456   | 1,273,415           |
| Virgin Islands                         | 656,922     | 659,504     | 675,738             |
| Virginia                               | 5,310,606   | 5,325,912   | 5,422,149           |
| Washington                             | 2,928,383   | 2,939,150   | 3,006,851           |
| West Virginia                          | 3,092,014   | 3,100,987   | 3,157,408           |
| Wisconsin                              | 6,212,219   | 6,234,753   | 6,376,442           |
| Wyoming                                | 1,048,236   | 1,052,202   | 1,077,136           |
| No. Mariana Islands                    | 620,969     | 623,383     | 638,568             |
| Sub-total                              | 199,521,331 | 200,172,211 | 204,264,691         |
| 3(b) Special Needs                     | 1,544,909   | 1,544,909   | 1,544,909           |
| 3(c) Fed'l Admin.                      | 5,822,760   | 5,849,880   | 6,020,400           |
| Total                                  | 206,889,000 | 207,567,000 | 211,830,000         |

TABLE IA  
APPROPRIATION FOR PAYMENTS TO STATES  
PESTICIDE IMPACT ASSESSMENT, FY 1989 - 1991

| Smith-Lever Act:<br>Section 3 (d) | FY 1989     | FY-1990     | Total Proposed<br>for FY 1991 |
|-----------------------------------|-------------|-------------|-------------------------------|
| Alabama                           | \$ 24,287   | \$ 24,287   | \$ 24,287                     |
| Alaska                            | 8,491       | 8,491       | 8,491                         |
| Arizona                           | 17,980      | 17,980      | 17,980                        |
| Arkansas                          | 37,917      | 37,917      | 37,917                        |
| California                        | 82,862      | 82,862      | 82,862                        |
| Colorado                          | 18,976      | 18,976      | 18,976                        |
| Connecticut                       | 11,155      | 11,155      | 11,155                        |
| Delaware                          | 10,940      | 10,940      | 10,940                        |
| Florida                           | 34,080      | 34,080      | 34,080                        |
| Georgia                           | 53,195      | 53,195      | 53,195                        |
| Guam                              | 8,620       | 8,620       | 8,620                         |
| Hawaii                            | 11,177      | 11,177      | 11,177                        |
| Idaho                             | 18,770      | 18,770      | 18,770                        |
| Illinois                          | 75,047      | 75,047      | 75,047                        |
| Indiana                           | 39,000      | 39,000      | 39,000                        |
| Iowa                              | 72,061      | 72,061      | 72,061                        |
| Kansas                            | 32,535      | 32,535      | 32,535                        |
| Kentucky                          | 21,032      | 21,032      | 21,032                        |
| Louisiana                         | 23,126      | 23,126      | 23,126                        |
| Maine                             | 13,573      | 13,573      | 13,573                        |
| Maryland                          | 16,505      | 16,505      | 16,505                        |
| Massachusetts                     | 14,331      | 14,331      | 14,331                        |
| Michigan                          | 31,916      | 31,916      | 31,916                        |
| Minnesota                         | 48,656      | 48,656      | 48,656                        |
| Mississippi                       | 38,171      | 38,171      | 38,171                        |
| Missouri                          | 35,076      | 35,076      | 35,076                        |
| Montana                           | 16,419      | 16,419      | 16,419                        |
| Nebraska                          | 48,392      | 48,392      | 48,392                        |
| Nevada                            | 9,744       | 9,744       | 9,744                         |
| New Hampshire                     | 9,552       | 9,552       | 9,552                         |
| New Jersey                        | 14,796      | 14,796      | 14,796                        |
| New Mexico                        | 11,847      | 11,847      | 11,847                        |
| New York                          | 29,003      | 29,003      | 29,003                        |
| North Carolina                    | 43,402      | 43,402      | 43,402                        |
| North Dakota                      | 20,430      | 20,430      | 20,430                        |
| Ohio                              | 39,700      | 39,700      | 39,700                        |
| Oklahoma                          | 26,451      | 26,451      | 26,451                        |
| Oregon                            | 20,264      | 20,264      | 20,264                        |
| Pennsylvania                      | 24,268      | 24,268      | 24,268                        |
| Puerto Rico                       | 8,519       | 8,519       | 8,519                         |
| Rhode Island                      | 10,400      | 10,400      | 10,400                        |
| South Carolina                    | 25,400      | 25,400      | 25,400                        |
| South Dakota                      | 19,430      | 19,430      | 19,430                        |
| Tennessee                         | 22,795      | 22,795      | 22,795                        |
| Texas                             | 73,493      | 73,493      | 73,493                        |
| Utah                              | 11,519      | 11,519      | 11,519                        |
| Vermont                           | 10,193      | 10,193      | 10,193                        |
| Virgin Islands                    | 8,987       | 8,987       | 8,987                         |
| Virginia                          | 22,933      | 22,933      | 22,933                        |
| Washington                        | 26,116      | 26,116      | 26,116                        |
| West Virginia                     | 11,408      | 11,408      | 11,408                        |
| Wisconsin                         | 33,276      | 33,276      | 33,276                        |
| Wyoming                           | 10,774      | 10,774      | 10,774                        |
| Sub-total                         | \$1,409,000 | 1,409,000   | 1,409,000                     |
| Special Projects                  | 224,000     | 224,000     | 224,000                       |
| Undistributed                     | - -         | 928,000     | 1,947,000                     |
| Total                             | \$1,633,000 | \$2,561,000 | \$3,580,000                   |

TABLE 18  
 APPROPRIATION FOR PAYMENTS TO STATES  
 FOOD AND NUTRITION EDUCATION, FY 1989 - 1991

| Smith-Lever Act:<br>Section 3 (d) | FY-1989     | FY-1990     | Total Proposed<br>FY-1990 |
|-----------------------------------|-------------|-------------|---------------------------|
| Alabama                           | \$1,909,987 | \$1,898,566 | \$722,752                 |
| Alaska                            | 167,319     | 166,106     | 61,792                    |
| American Samoa                    | 58,834      | 57,859      | --                        |
| Arizona                           | 540,929     | 536,643     | 197,872                   |
| Arkansas                          | 1,217,178   | 1,209,822   | 460,313                   |
| California                        | 3,176,441   | 3,146,396   | 1,130,993                 |
| Colorado                          | 536,142     | 531,838     | 195,929                   |
| Connecticut                       | 437,352     | 433,749     | 158,993                   |
| Delaware                          | 214,036     | 212,499     | 79,289                    |
| Florida                           | 1,962,548   | 1,947,329   | 720,809                   |
| Georgia                           | 2,078,891   | 2,066,330   | 786,905                   |
| Guam                              | 58,980      | 57,988      | --                        |
| Hawaii                            | 249,260     | 247,520     | 92,897                    |
| Idaho                             | 282,209     | 280,138     | 104,561                   |
| Illinois                          | 2,054,606   | 2,039,188   | 757,745                   |
| Indiana                           | 1,161,060   | 1,153,427   | 436,985                   |
| Iowa                              | 872,584     | 867,380     | 332,009                   |
| Kansas                            | 669,282     | 664,678     | 250,361                   |
| Kentucky                          | 1,604,610   | 1,594,827   | 606,113                   |
| Louisiana                         | 1,805,330   | 1,793,083   | 672,209                   |
| Maine                             | 406,907     | 404,231     | 153,161                   |
| Maryland                          | 812,655     | 806,672     | 300,905                   |
| Massachusetts                     | 935,358     | 928,001     | 343,673                   |
| Michigan                          | 1,719,074   | 1,707,403   | 643,049                   |
| Micronesia                        | 63,224      | 61,728      | --                        |
| Minnesota                         | 958,948     | 952,705     | 361,169                   |
| Mississippi                       | 1,651,913   | 1,642,074   | 623,609                   |
| Missouri                          | 1,498,087   | 1,488,317   | 563,345                   |
| Montana                           | 286,603     | 284,558     | 106,505                   |
| Nebraska                          | 520,090     | 516,722     | 195,929                   |
| Nevada                            | 164,957     | 163,589     | 59,849                    |
| New Hampshire                     | 229,893     | 228,189     | 85,121                    |
| New Jersey                        | 1,030,817   | 1,022,187   | 374,777                   |
| New Mexico                        | 490,213     | 486,539     | 180,377                   |
| New York                          | 3,275,257   | 3,247,725   | 1,189,313                 |
| North Carolina                    | 2,436,917   | 2,423,266   | 930,761                   |
| North Dakota                      | 332,701     | 330,654     | 125,945                   |
| Ohio                              | 2,114,874   | 2,100,119   | 788,849                   |
| Oklahoma                          | 1,013,662   | 1,006,744   | 378,665                   |
| Oregon                            | 474,736     | 470,823     | 172,601                   |
| Pennsylvania                      | 2,598,069   | 2,580,347   | 973,529                   |
| Puerto Rico                       | 1,349,553   | 1,329,858   | 415,601                   |
| Rhode Island                      | 292,421     | 290,345     | 108,449                   |
| South Carolina                    | 1,472,586   | 1,464,288   | 561,401                   |
| South Dakota                      | 375,477     | 373,104     | 141,497                   |
| Tennessee                         | 1,908,453   | 1,896,952   | 722,753                   |
| Texas                             | 4,047,981   | 4,020,306   | 1,512,017                 |
| Utah                              | 297,019     | 294,621     | 108,449                   |
| Vermont                           | 226,837     | 225,349     | 85,121                    |
| Virgin Islands                    | 58,190      | 57,292      | --                        |
| Virginia                          | 1,630,076   | 1,620,178   | 617,777                   |
| Washington                        | 653,952     | 648,670     | 238,697                   |
| West Virginia                     | 942,695     | 937,064     | 357,281                   |
| Wisconsin                         | 922,737     | 916,171     | 343,673                   |
| Wyoming                           | 182,087     | 180,801     | 67,625                    |
| No. Mariana Islands               | 57,683      | 56,842      | --                        |
| Sub-total                         | 58,490,280  | 58,069,800  | 21,600,000                |
| Fed'l Admin                       | 144,720     | 127,200     | --                        |
| Total                             | 58,635,000  | 58,197,000  | 21,600,000                |

TABLE IC  
 APPROPRIATION FOR PAYMENTS TO THE 1890 LAND-GRANT COLLEGES  
 AND TUSKEGEE UNIVERSITY FY 1989 - 1991

| INSTITUTION                             | FY-1989      | FY-1990      | Total Proposed<br>for FY 1991 |
|-----------------------------------------|--------------|--------------|-------------------------------|
| ALABAMA:                                |              |              |                               |
| Alabama A&M Univ.                       | \$ 957,792   | \$1,133,166  | \$1,195,300                   |
| Tuskegee Univ.                          | 957,792      | 1,133,166    | 1,195,300                     |
| ARKANSAS:                               |              |              |                               |
| University of Arkansas<br>at Pine Bluff | 854,233      | 1,019,601    | 1,078,194                     |
| DELAWARE:                               |              |              |                               |
| Delaware State College                  | 315,925      | 371,400      | 391,057                       |
| FLORIDA:                                |              |              |                               |
| Florida A&M Univ.                       | 770,688      | 926,246      | 981,359                       |
| GEORGIA:                                |              |              |                               |
| Fort Valley<br>State College            | 1,120,609    | 1,342,659    | 1,421,335                     |
| KENTUCKY:                               |              |              |                               |
| Kentucky State Univ.                    | 1,393,496    | 1,681,963    | 1,784,164                     |
| LOUISIANA:                              |              |              |                               |
| Southern University<br>and A&M College  | 796,120      | 940,926      | 992,234                       |
| MARYLAND:                               |              |              |                               |
| Univeristy of Maryland<br>Eastern Shore | 609,787      | 720,826      | 760,164                       |
| MISSISSIPPI:                            |              |              |                               |
| Alcorn State Univ.                      | 969,275      | 1,131,140    | 1,188,489                     |
| MISSOURI:                               |              |              |                               |
| Lincoln University                      | 1,367,832    | 1,668,648    | 1,775,232                     |
| NORTH CAROLINA:                         |              |              |                               |
| North Carolina A&T<br>State University  | 1,713,983    | 2,030,289    | 2,142,349                     |
| OKLAHOMA:                               |              |              |                               |
| Langston University                     | 830,324      | 1,004,059    | 1,065,616                     |
| SOUTH CAROLINA:                         |              |              |                               |
| South Carolina State<br>University      | 843,346      | 990,495      | 1,042,631                     |
| TENNESSEE:                              |              |              |                               |
| Tennessee State<br>University           | 1,284,727    | 1,529,863    | 1,616,715                     |
| TEXAS:                                  |              |              |                               |
| Prairie View A&M<br>University          | 1,686,778    | 2,046,539    | 2,173,998                     |
| VIRGINIA:                               |              |              |                               |
| Virginia State<br>University            | 1,086,653    | 1,291,574    | 1,364,183                     |
| Subtotal                                | 17,559,360   | 20,962,560   | 22,168,320                    |
| Fed'l Administration                    | 731,640      | 873,440      | 923,680                       |
| TOTAL                                   | \$18,291,000 | \$21,836,000 | \$23,092,000                  |



TABLE II  
APPROPRIATION FOR PAYMENTS TO STATES  
BASIS OF ALLOTMENT AND MATCHING REQUIRED  
FISCAL YEAR 1991

| ITEM                                                                 | TOTAL<br>ESTIMATE<br>1990 | ALLOTMENT                                                                                                                      | AMOUNT<br>PAID W/O<br>MATCHING                                   | AMOUNT<br>REQUIRED<br>MATCHING |
|----------------------------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------|
| Smith-Lever<br>Act: Sec 3b                                           | 246,535,000               | 56,475,091-Fixed by<br>Sec 3b<br>PL 87-749                                                                                     | 14,513,808                                                       | 41,961,283                     |
| Sec 3c                                                               |                           | 1,544,909-Spec'l Need<br>(153,810,000)                                                                                         | --                                                               | 1,544,909                      |
|                                                                      |                           | 58,915,840-farm pop.<br>58,915,840-rural pop.<br>29,957,920-equally &<br>6,020,400 for fed's<br>admin. &<br>coord. Sec<br>3c.1 | 7,020,400                                                        | 146,789,600                    |
| Federal Emp<br>loyees Rel-<br>irement sys                            |                           | 4,000,000-Fed's<br>contr.                                                                                                      | 4,000,000                                                        | --                             |
| Retirement &<br>Employee<br>Compensation<br>Cost                     |                           | 15,252,000-Fed'l con-<br>tribution                                                                                             | 15,252,000                                                       | --                             |
| Penalty Mail                                                         |                           | 15,453,000-Reimburse-<br>ment to<br>Post Office                                                                                | 15,453,000                                                       | --                             |
| Section 3d                                                           | 59,844,000                | 21,600,000-LFNEP<br>12,000,000-Priority<br>7,164,000-IPM<br>15,500,000-Water Qual.<br>3,580,000-PIA                            | 21,600,000<br>12,000,000<br>7,164,000<br>15,500,000<br>3,580,000 | --<br>--<br>--<br>--<br>--     |
| Title XIV,<br>Food/Ag Act<br>1977, as<br>amended, 1890<br>Colleges   | 23,092,000                | (23,092,000)<br>923,680-Fed'l Admin<br>22,168,320-To 1890<br>Colleges &<br>Tuskegee                                            | 23,092,000                                                       | --                             |
| Sec. 1416,<br>Facilities<br>Grants                                   | 9,508,000                 | (9,508,000)<br>380,320-Fed's Admin<br>9,127,680-To 1890<br>Colleges &<br>Tuskegee                                              | 9,508,000                                                        | --                             |
| D.C. Public<br>Postsecondary<br>Education Re-<br>organization<br>Act | 1,000,000                 | (1,000,000)<br>40,000-Fed'l Admin<br>960,000-To Univ. D.C.                                                                     | 40,000                                                           | 960,000                        |
| SUBTOTAL                                                             | 339,979,000               | 339,979,000                                                                                                                    | 148,723,208                                                      | 191,255,792                    |
| Fed'l Admin                                                          | 5,697,000                 |                                                                                                                                |                                                                  |                                |
| Total, FY90                                                          | 345,676,000               |                                                                                                                                |                                                                  |                                |



## NATIONAL AGRICULTURAL LIBRARY

Purpose Statement

The National Agricultural Library (NAL) had its mission outlined by the Organic Act of 1862, establishing the Department of Agriculture. The act, as amended, sets forth a mission, "to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, rural development, aquaculture and human nutrition, in the most comprehensive and general sense of the word," and placed upon the Secretary the responsibility to "Procure and preserve all information concerning agriculture, rural development, aquaculture, and human nutrition, which he can obtain by means of books..."

The NAL serves as the Nation's chief agricultural information resource. It provides agricultural information products and services through traditional library functions and through modern electronic dissemination to agencies of the USDA, public and private organizations, and individuals. The NAL coordinates a national network of public and private libraries consisting of the land-grant colleges and universities, other state supported colleges and universities with agriculturally related programs, other public organizations, industry, and other private sector organizations. The NAL provides a leadership role in U.S. participation in international agricultural library and information systems and in efforts to promote worldwide availability of agricultural information.

The NAL has as its ultimate purpose facilitating access to and use of information about agriculture and related sciences by all those who need the information. In addition to providing traditional library services such as bibliographies, reference services and document delivery to agricultural scientists and researchers, NAL is expanding its role and serving a wider audience by using modern information dissemination technology to its fullest. While the library has concentrated its thrust towards agricultural researchers, the wider audience includes Federal, State and local administrators, and agricultural extension and education personnel as well as the farmer, the small businessman, public groups at all levels, and the general public.

With approximately 2.0 million volumes of printed material on agriculture and supporting scientific disciplines, NAL has one of the largest collections of its kind in the world. Both current and historical information is collected and organized for effective utilization by a wide range of users, and is cataloged or indexed in AGRICOLA, the NAL database of 2.7 million citations to agricultural publications. The NAL also provides input of U.S. publication records to AGRIS, the cooperative agricultural database of the Food and Agricultural Organization of the United Nations.

The basic operations of the National Agricultural Library are located in the NAL Building at Beltsville, Maryland. Specialized services are provided from a reference center in Washington, D.C. Service is provided from both these locations as well as 18 officially designated USDA field libraries in the States and 38 smaller USDA centers containing a total of approximately a quarter of a million volumes.

As of September 30, 1989, the NAL employment was 183 permanent full time and 27 other than permanent, of which 179 permanent full time and 27 other than permanent are located in Beltsville, while the rest are located in Washington, D.C.

## NATIONAL AGRICULTURAL LIBRARY

## Available Funds and Staff-Years

## 1989 Actual and Estimated, 1990 and 1991

|                                    | 1989         |        | 1990         |        | 1991         |        |
|------------------------------------|--------------|--------|--------------|--------|--------------|--------|
|                                    | Actual       |        | Estimated    |        | Estimated    |        |
|                                    | Amount       | Staff: | Amount       | Staff: | Amount       | Staff: |
|                                    |              | Years: |              | Years: |              | Years: |
| National Agricultural Library..... | \$14,268,000 | 192    | \$14,676,000 | 182    | \$15,773,000 | 182    |
| Obligations under other USDA       |              |        |              |        |              |        |
| appropriations:                    |              |        |              |        |              |        |
| Agricultural Research Service:     |              |        |              |        |              |        |
| Subscriptions Costs.....           | 5,194        | ---    | 5,186        | ---    | 5,186        | ---    |
| Evaluation of Text Digitizing..    | 57,000       | ---    | ---          | ---    | ---          | ---    |
| Current Awareness                  |              |        |              |        |              |        |
| Literature Service.....            | 528,798      | 3      | 481,000      | 3      | 481,000      | 4      |
| Space Costs.....                   | 164,067      | ---    | 171,670      | ---    | 146,670      | ---    |
| NAL/ARS Library Initiatives...     | 60,000       | 1      | 18,000       | ---    | 18,000       | ---    |
| Postage and Mail Service.....      | 20,210       | ---    | 10,000       | ---    | 10,000       | ---    |
| Transformers/Chillers.....         | 140,000      | ---    | ---          | ---    | ---          | ---    |
| Document Delivery.....             | ---          | ---    | 60,000       | ---    | 60,000       | ---    |
| Translations.....                  | 250          | ---    | ---          | ---    | ---          | ---    |
| Coca Bibliographies.....           | 7,631        | ---    | 3,705        | ---    | 3,705        | ---    |
| Agricultural Marketing Service:    |              |        |              |        |              |        |
| Space Costs.....                   | 15,526       | ---    | 16,133       | ---    | 16,133       | ---    |
| Current Awareness                  |              |        |              |        |              |        |
| Literature Service.....            | ---          | ---    | 2,436        | ---    | 2,436        | ---    |
| Animal and Plant Health            |              |        |              |        |              |        |
| Inspection Service:                |              |        |              |        |              |        |
| Current Awareness                  |              |        |              |        |              |        |
| Literature Service.....            | 20,207       | ---    | 22,029       | ---    | 22,029       | ---    |
| Translation Service.....           | 4,658        | ---    | ---          | ---    | ---          | ---    |
| Cooperative State Research Ser     |              |        |              |        |              |        |
| Support for Aquaculture Inf.Ct:    | 70,191       | 1      | 56,650       | ---    | 15,000       | ---    |
| Postage and Mail Service           | 7,355        | ---    | 5,667        | ---    | 5,667        | ---    |
| Space.....                         | 19,118       | ---    | 19,798       | ---    | 19,798       | ---    |
| National Biological Impact         |              |        |              |        |              |        |
| Assessment Program.....            | 12,000       | ---    | 3,579        | ---    | 3,579        | ---    |
| Joint Council Reports Staff...     | 11,320       | ---    | 22,265       | ---    | 22,265       | ---    |
| Alternative Farming Info. Ct.      | 100,000      | 2      | 100,000      | 2      | 100,000      | 2      |
| Extension Service:                 |              |        |              |        |              |        |
| Current Awareness                  |              |        |              |        |              |        |
| Literature Service.....            | 12,475       | ---    | 12,440       | ---    | 12,440       | ---    |
| Youth 4-H Information Center...    | 100,000      | 2      | 100,000      | 2      | 100,000      | 2      |
| Pesticide Application Training:    | 45,000       | ---    | ---          | ---    | ---          | ---    |
| Farmers Home Administration.....   | 9,564        | ---    | 67,610       | 1      | 62,102       | 1      |
| Detail - J.W. Parson.....          |              |        |              |        |              |        |
| Forest Service:                    |              |        |              |        |              |        |
| Current Awareness                  |              |        |              |        |              |        |
| Literature Service.....            | 7,481        | ---    | 7,839        | ---    | 7,839        | ---    |
| Indexing Service.....              | 33,467       | 1      | 35,907       | 1      | 37,200       | 1      |
| Postage/Fees.....                  | 467          | ---    | 560          | ---    | 560          | ---    |
| Food Safety and Inspection Ser...  |              |        |              |        |              |        |
| Current Awareness                  |              |        |              |        |              |        |
| Literature Service.....            | 3,649        | ---    | 3,735        | ---    | 3,735        | ---    |
| Food Irradiation Database.....     | 6,000        | ---    | ---          | ---    | ---          | ---    |
| Food and Nutrition Service:        |              |        |              |        |              |        |
| Lending Services.....              | 110,000      | ---    | 110,000      | ---    | 110,000      | ---    |
| Upgrade Nutrition                  |              |        |              |        |              |        |
| Education Guide.....               | 60,000       | ---    | ---          | ---    | ---          | ---    |
| Human Nutrition Information Ser    |              |        |              |        |              |        |
| Current Awareness                  |              |        |              |        |              |        |
| Literature Service.....            | 6,064        | ---    | 6,188        | ---    | 6,188        | ---    |

## NATIONAL AGRICULTURAL LIBRARY

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

|                                 | 1989       |                  | 1990       |                  | 1991       |                  |
|---------------------------------|------------|------------------|------------|------------------|------------|------------------|
|                                 | Actual     |                  | Estimated  |                  | Estimated  |                  |
|                                 | Amount     | Staff:<br>Years: | Amount     | Staff:<br>Years: | Amount     | Staff:<br>Years: |
| Office of International         |            |                  |            |                  |            |                  |
| Cooperation & Development:      |            |                  |            |                  |            |                  |
| Aquaculture Support.....        | 18,907     | ---              | ---        | ---              | ---        | ---              |
| Current Awareness               |            |                  |            |                  |            |                  |
| Literature Service.....         | 2,928      | ---              | ---        | ---              | ---        | ---              |
| Training.....                   | 1,000      | ---              | ---        | ---              | ---        | ---              |
| Office of Public Affairs:       |            |                  |            |                  |            |                  |
| Special Collections.....        | 20,000     | ---              | ---        | ---              | ---        | ---              |
| Soil Conservation Service:      |            |                  |            |                  |            |                  |
| Current Awareness               |            |                  |            |                  |            |                  |
| Literature Service.....         | 2,084      | ---              | 3,672      | ---              | 3,672      | ---              |
| Miscellaneous Activities.....   | ---        | ---              | 30,731     | ---              | 101,569    | ---              |
| Total Other USDA                |            |                  |            |                  |            |                  |
| Appropriations.....             | 1,682,611  | 10               | 1,376,800  | 10               | 1,376,773  | 10               |
| Total Agricultural              |            |                  |            |                  |            |                  |
| Appropriations.....             | 15,950,611 | 202              | 16,052,800 | 192              | 17,149,773 | 192              |
| Other Federal Funds             |            |                  |            |                  |            |                  |
| Dept. of Commerce, NTIS         |            |                  |            |                  |            |                  |
| Sale of Photocopies.....        | ---        | ---              | 23,000     | ---              | 23,000     | ---              |
| Environmental Protection Agency |            |                  |            |                  |            |                  |
| Bibliographies.....             | 58,590     | ---              | 80,000     | ---              | 80,000     | ---              |
| National Oceanic and            |            |                  |            |                  |            |                  |
| Atmospheric Administration:     |            |                  |            |                  |            |                  |
| Aquaculture.....                | 11,500     | ---              | 20,200     | ---              | 20,200     | ---              |
| Other Federal Funds.....        | 70,090     | ---              | 123,200    | ---              | 123,200    | ---              |
| Total, NAL.....                 | 16,020,701 | 202              | 16,176,000 | 192              | 17,272,973 | 192              |

|                                   |               |                  |                  |
|-----------------------------------|---------------|------------------|------------------|
| Full-Time Equivalent Staff-Years: | 1989          | 1990             | 1991             |
|                                   | <u>Actual</u> | <u>Estimated</u> | <u>Estimated</u> |
| Ceiling.....                      | 202           | 192              | 192              |
| Non-Ceiling.....                  | 10            | 10               | 10               |
| Total                             | <u>212</u>    | <u>202</u>       | <u>202</u>       |



UNITED STATES DEPARTMENT OF AGRICULTURE

NATIONAL AGRICULTURAL LIBRARY

PERMANENT POSITIONS BY GRADE AND STAFF-YEAR SUMMARY

1989 and Estimated 1990 and 1991

| GRADE                       | 1989<br>HEADQUARTERS | 1990<br>HEADQUARTERS | 1991<br>HEADQUARTERS |
|-----------------------------|----------------------|----------------------|----------------------|
| ES-5                        | 1                    | 1                    | 1                    |
| GS/GM-15                    | 4                    | 4                    | 4                    |
| GS/GM-14                    | 4                    | 4                    | 4                    |
| GS-GM-13                    | 18                   | 18                   | 18                   |
| GS-12                       | 41                   | 41                   | 41                   |
| GS-11                       | 21                   | 21                   | 21                   |
| GS-9                        | 6                    | 6                    | 6                    |
| GS-8                        | 3                    | 3                    | 3                    |
| GS-7                        | 32                   | 32                   | 32                   |
| GS-6                        | 33                   | 33                   | 33                   |
| GS-5                        | 13                   | 13                   | 13                   |
| GS-4                        | 8                    | 8                    | 8                    |
| GS-3                        | 1                    | 1                    | 1                    |
| Total, Permanent Positions: | 185                  | 185                  | 185                  |
| Staff-Years:                |                      |                      |                      |
| Ceiling                     | 202                  | 192                  | 192                  |
| Non-Ceiling                 | 10                   | 10                   | 10                   |
| Total, Staff Years.....     | 212                  | 202                  | 202                  |

## NATIONAL AGRICULTURAL LIBRARY

CLASSIFICATION BY OBJECTS1989 and Estimated 1990 and 1991

|                                                  | <u>1989</u>        | <u>1990</u>        | <u>1991</u>        |
|--------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Personnel Compensation</b>                    |                    |                    |                    |
| Headquarters.....                                | <u>\$6,007,361</u> | <u>\$5,905,173</u> | <u>\$6,122,185</u> |
| 11 Total Personnel Compensation.....             | 6,007,361          | 5,905,173          | 6,122,185          |
| 12 Personnel Benefits                            | 954,609            | 938,890            | 959,618            |
| 13 Benefits for Former Personnel.....            | <u>3,658</u>       | <u>--</u>          | <u>--</u>          |
| Total Pers. Comp. & Benefits.....                | <u>6,965,628</u>   | <u>6,844,063</u>   | <u>7,081,803</u>   |
| <b>Other Objects:</b>                            |                    |                    |                    |
| 21 Travel.....                                   | 132,014            | 154,043            | 157,000            |
| 22 Transportation of Things.....                 | 20,016             | 21,000             | 22,000             |
| 23 Communications, Utilities and Other Rent..... | 664,117            | 700,000            | 750,000            |
| 24 Printing and Reproduction.....                | 72,077             | 80,000             | 90,000             |
| 25 Other Services.....                           | 3,511,833          | 3,961,564          | 4,254,367          |
| 26 Supplies and Materials.....                   | 1,507,008          | 1,600,000          | 2,399,000          |
| 31 Equipment.....                                | 799,539            | 850,000            | 900,000            |
| 41 Grants.....                                   | 451,830            | 465,330            | 118,830            |
| Total Other Objects                              | <u>7,158,454</u>   | <u>7,831,937</u>   | <u>8,691,197</u>   |
| Total Direct Obligations                         | <u>14,124,082</u>  | <u>14,676,000</u>  | <u>15,773,000</u>  |
| <b><u>Position Data:</u></b>                     |                    |                    |                    |
| Average Salary, ES Positions                     | \$75,500           | \$81,400           | \$101,000          |
| Average Salary, GS/GM Positions                  | \$29,019           | \$30,093           | \$30,664           |
| Average Grade GS/GM Positions                    | 8.54               | 8.54               | 8.54               |

## NATIONAL AGRICULTURAL LIBRARY

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

National Agricultural Library

For necessary expenses of the National Agricultural Library [\$14,676,000] \$15,773,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$35,000 shall be available for employment under 5 U.S.C. 3109: Provided further, that not to exceed \$675,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements: [Provided further, that \$385,000 shall be available for a grant pursuant to section 1472 of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (7 U.S.C. 3318)].

The change deletes language providing funds in FY 1990 to the Leflar School of Law, University of Arkansas, Fayetteville, Arkansas by means of a grant.

NATIONAL AGRICULTURAL LIBRARY

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$14,883,000      |
| Budget Estimate, 1991.....     | <u>15,773,000</u> |
| Increase in Appropriation..... | <u>+890,000</u>   |

## Adjustments in 1990:

|                                                   |                   |
|---------------------------------------------------|-------------------|
| Appropriation Act, 1990.....                      | \$14,883,000      |
| Gramm-Rudman-Hollings Reduction (P.L.99-177)..... | <u>-207,000</u>   |
| Adjusted Base for 1991.....                       | 14,676,000        |
| Budget Estimate, 1991.....                        | <u>15,773,000</u> |
| Increase over adjusted, 1991.....                 | <u>+1,097,000</u> |

SUMMARY OF INCREASES

(On basis of adjusted appropriation)

| Items of Change           | 1990<br>Estimate    | Pay<br>Costs      | Program<br>Changes | 1991<br>Estimate    |
|---------------------------|---------------------|-------------------|--------------------|---------------------|
| Library Materials.....    | \$1,401,039         | -0-               | +\$906,000         | \$2,307,039         |
| Networking.....           | 123,900             | -0-               | + 250,000          | 373,900             |
| Leflar School of Law..... | 380,000             | -0-               | - 380,000          | -0-                 |
| All Other.....            | 12,771,061          | +\$321,000        | -0-                | 13,092,061          |
|                           | <u>\$14,676,000</u> | <u>+\$321,000</u> | <u>+\$776,000</u>  | <u>\$15,773,000</u> |

PROJECT STATEMENT

(On basis of adjusted appropriation)

|                              | : 1989 Actual :          | : 1990 Estimated :       | : 1991 Estimated :   |
|------------------------------|--------------------------|--------------------------|----------------------|
|                              | : Staff:                 | : Staff:                 | : Staff:             |
|                              | : Amount :Years:         | : Amount :Years:         | : Amount :Years:     |
| 1. Agricultural Library      | :                        | :                        | :                    |
| Services for Research        | :                        | :                        | :                    |
| and Education.....           | \$13,824,082: 192 :      | \$14,380,000: 182 :      | (\$1,097,000): 182 : |
| 2. Repair and Maintenance    | :                        | :                        | :                    |
| of Facilities.....           | 300,000: --- :           | 296,000: --- :           | 296,000: --- :       |
| Unobligated Balance.....     | 143,918: --- :           | ---                      | ---                  |
| Total available or estimate: | 14,268,000: 192 :        | 14,676,000: 182 :        | 15,773,000: 182 :    |
| Gramm-Rudman-Hollings        | :                        | :                        | :                    |
| Reduction.....               | ---                      | 207,000: --- :           | :                    |
| Total Appropriation.....     | <u>14,268,000: 192 :</u> | <u>14,883,000: 182 :</u> |                      |

## EXPLANATION OF PROGRAMS

The basic function of the National Agricultural Library (NAL) is to identify, acquire, disseminate, and deliver pertinent food and agriculture information to all scientists, researchers, administrators, and others working in agricultural fields in both the government and private sectors. To meet user needs, the NAL is working with libraries at land-grant universities and other institutions to develop a network to enhance access to information. NAL also maintains an extensive collection of agricultural publications and provides access to these publications through AGRICOLA, its master bibliographic database. The NAL also provides current awareness and retrospective searches on worldwide agricultural literature through other computer-based systems of interest to agricultural scientists and educators.

One essential NAL program involves advanced information technologies. The NAL has intensified its efforts to enhance and expand its information-providing capabilities by testing the exciting possibilities of the new technology, including computer-based video technology, both often coupled with recently developed optical scanning and developing laser technology, and artificial intelligence software. The NAL staff strive to identify and evaluate these advanced technologies to determine their potential for improving agricultural information access and use. As these advanced technologies are applied to specific projects, NAL works to transfer their use to other agricultural organizations, which could benefit from their adoption. Such technologies have great potential for making information more widely available in a more timely way and in greater depth than ever before. By using advanced information technology, NAL will be better able to promote the organization and availability of agricultural information to the national and international agricultural communities.

The NAL serves a dual role as the primary literature source for the American agricultural community and as a national authority among libraries and information centers here and abroad. As part of its responsibility for processing of agricultural serials, the NAL recently became a self-authenticating member of the Cooperative Online Serials (CONSER) Project coordinated by the Library of Congress. NAL also has obtained independent status in the Library of Congress' National Coordinated Cataloging Operations (NACO) project to build a national name authority file for publications. The NAL also is cooperating with the National Library of Medicine on sharing collection responsibilities for veterinary science, human nutrition, literature, and biotechnology.

In an effort to improve services in particular subject areas, the NAL has established specialized information centers to provide enhanced services to current clientele as well as to develop new service relationships with the public and private sectors. The purpose of the centers is to focus or concentrate activities in the areas of great interest to the Department of Agriculture, the agricultural community throughout the Nation, and the public. NAL is able to take a proactive approach that involves a heavy emphasis on outreach and networking activities. In addition, information center staff concentrate their efforts on strengthening the NAL collection and developing information products. Information centers have a diverse audience. While agricultural researchers have been a traditional primary audience for NAL, information center clientele also include educators, consumers, and the private sector to a greater degree. Currently, NAL has information centers on Agricultural Trade and Marketing; Alternative Farming Systems (Low Input/Sustainable Agriculture; Animal Welfare; Aquaculture; Biotechnology; Critical Agricultural Materials; Family; Fiber and Textiles; Food and Nutrition; Food Irradiation; Horticulture; Rural Development; Youth Development; Technology Transfer; and Water Quality.



## Justification of Increases

(1) A net increase of \$1,097,000 consisting of:

- (a) An increase of \$906,000 to provide funding for library materials (\$1,401,039 available in FY 1990).

Need for Change.

Agriculture researchers and educators may experience greater difficulty in locating information because rising costs and currency fluctuations have eroded NAL's ability to maintain a collection of library resources to satisfy the user needs. These factors have also affected NAL's ability to serve as a national information service with world wide coverage of vital agricultural and scientific information.

Cost increases have affected NAL's ability to procure journal literature. Overall prices have escalated by as much as 171% since FY 1978. The cost of foreign titles has increased by approximately 192% over the same period. As a scientific and technical information library on agricultural information, NAL has been especially hard hit because the prices of science journals have increased more rapidly than those in other disciplines. From 1986 to 1988, the average price of a humanities title increased 20.6%. The average price of a social science title increased 24.8%, while the average price for science titles increased 37.5%. Furthermore, in recent years, many publishers have imposed extremely high differential rates for library subscriptions as opposed to those for individuals. Book prices have also escalated to the point that has prevented NAL from securing books essential for the scientific community. The average cost of a book published in the United States in 1988 is \$33.63, while the average price of an agricultural book is \$48.58, biology is \$77.38, and chemistry is \$90.44.

To cope with the spiraling costs of vital library materials, NAL has cancelled serial subscriptions and curtailed other purchasing programs. These necessary steps decrease world wide coverage of important agricultural developments, delay document delivery to users since borrowing from other libraries must occur, and increase user frustration. As a result, NAL is losing its value as a last resort nationally for agricultural library materials.

Increased research and extension activities also dictate the need for NAL to more fully develop a capability to service the information needs of scientists and others.

Nature of Change.

These funds will provide NAL with the ability to procure library resources necessary for use by the agricultural community.

- (b) An increase of \$250,000 to expand networking (\$123,900 available in FY 1990).

Need for Change.

Users must have rapid access to information which is crucial to scientific research. NAL must take the lead for coordinating basic services available from the agricultural library community. Networking is essential to avoid duplication of efforts, to implement resource sharing of specialized collections, coordinate processing and provision of services, develop a clearinghouse and referral center as part of the network, and maintaining an updated directory of agricultural information services on-line.

There is a need to expand and improve the national agricultural information network by: reducing unnecessary duplication of processing of materials, increasing resource sharing in cooperation with ARS and other agricultural libraries; and improving usefulness of the AGRICOLA database to scientists. NAL will continue to work cooperatively with 1862 and 1890 land-grant university libraries to develop and operate a network that will provide agricultural information to the user expeditiously.

NAL must increase its educational assistance to its users, its staff, and other libraries, using up-to-date instructional technology to extend its reach. Because of the rapidity of change in library and information service methodologies and technologies, continuing education in agricultural librarianship is essential to maintain effective network program.

#### Nature of Change.

Funds proposed are required to develop and implement a coordinated plan which will serve as a framework for the establishment and continuing coordination of specific cooperative projects having a bilateral and multi-lateral impact, and to initiate certain significant national network programs.

Another very significant cooperative effort within this area is the joint text digitizing project where 44 Land-Grant Universities have joined with NAL to plan and fund a 2-year project to digitize library materials for patrons use and for preservation. At the completion of this project, the model will be basis for developing a national program involving a number of libraries in capturing this data in electronic form.

A project with North Carolina State is evaluating the transmission of high resolution images of scientific text and graphics for which commercial facsimile is unsatisfactory. As this is completed, it will be extended to a number of libraries which will lead towards a national system for disseminating the data captured in the text digitizing program. Scientists will have access to this data from terminals at the work station.

NAL will also provide the infrastructure and support for network meetings, and strengthen cooperative development of network services and the specialized collections on which they are based. Other cooperative programs in research and development of useful information technologies will be encouraged. NAL will also provide the training necessary to implement and maintain appropriate services throughout.

This will build on existing cooperative efforts, such as the project involving over 40 Land-Grant libraries that create bibliographic records of their state agricultural publications for the AGRICOLA database. This NAL Land-Grant state publications project is one in which institutions cooperate in the acquisition, cataloging, indexing and provision of document delivery of state agricultural publications. As a result, many state publications that previously were not available can be searched and used by the world. In addition, NAL can turn resources previously used to catalog state publications to the cataloging of other U.S. documents.

In support of ARS, NAL is developing an information network for ARS field libraries, and users at ARS field stations without libraries. The network structure will be state of the art, cost effective, and more fully integrated with the resources of the NAL and the agricultural information network. This initiative will use advanced

and improved information delivery systems and services to ARS scientists, avoiding costly duplication of collections in ARS, and assisting NAL to keep abreast of key user needs.

NAL will continue providing USDA researchers with subject related current awareness services from the most appropriate databases, and will continue supporting network systems that supply library services to USDA researchers from the Land-Grant University Libraries at their field locations.

- (c) An increase of \$213,000 for the 1989 pay raise and \$108,000 which represents 50% of the 1991 raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (d) A decrease of \$380,000 for the Leflar School of Law, University of Arkansas (\$380,000 available in FY 1990).

Need for Change.

The funds are provided for the operation of an agricultural law library in the Leflar School of Law, at the University of Arkansas. The grant was made in FY 1990 and is no longer supported.

Nature of Change.

Continued funding is not supported in the FY 1990 budget.

## NATIONAL AGRICULTURAL LIBRARY

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS  
1989 And Estimated 1990 and 1991.

|                                      | 1989              |                        | 1990              |                        | 1991              |                        |
|--------------------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|
|                                      | <u>Amount</u>     | <u>Staff<br/>Years</u> | <u>Amount</u>     | <u>Staff<br/>Years</u> | <u>Amount</u>     | <u>Staff<br/>Years</u> |
| District of Columbia...              | 174,222           | 5.3                    | 188,288           | 5.4                    | 194,485           | 5.4                    |
| Maryland.....                        | <u>13,949,860</u> | <u>186.7</u>           | <u>14,487,712</u> | <u>176.6</u>           | <u>15,570,515</u> | <u>176.6</u>           |
| Total, Available or<br>Estimate..... | <u>14,124,082</u> | <u>192</u>             | <u>14,676,000</u> | <u>182</u>             | <u>15,773,000</u> | <u>182</u>             |



## SOIL CONSERVATION SERVICE

Purpose Statement

The Soil Conservation Service (SCS) was established pursuant to Public Law 74-46, known as the Act of April 27, 1935, (16 U.S.C. 590a-590f). Technical programs are carried out in cooperation with conservation districts and other sponsoring local organizations. SCS provides technology transfer through soil conservation districts to landusers, communities, watershed groups, Federal and State agencies, and other cooperators with erosion control and water management problems to bring about needed land treatments and physical adjustments in land use. The purpose is to improve and conserve soil and water resource quantity and quality, improve agriculture, and reduce damage caused by floods and sedimentation.

The Soil Conservation Service has general responsibility for administration of the following programs of the Department of Agriculture:

Conservation Operations is authorized by Public Law 74-46, (16 U.S.C. 590a-590f). Activities include:

1. Conservation technical assistance provided to district cooperators and other landusers in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Information regarding national inventories and appraisals of the resource base are provided to states, districts and other organizations. Technical assistance is provided to monitor and develop effective conservation programs.

2. Soil surveys are made to inventory the Nation's basic soil resources and to determine land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State and local organizations.

3. Snow survey and water forecasting from basic data collected to provide estimates of annual water availability from high mountain snow packs and relating this to summer stream flow in the western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

4. Operation of plant materials centers to assemble, test, and encourage increased use of plant species which show promise for use in the treatment of conservation problem areas.

River Basin Surveys and Investigations

This program is authorized by the Watershed and Flood Prevention Act, Public Law 83-566, Section 6, August 4, 1954, (16 U.S.C. 1006).

The program involves cooperation with other Federal, State, and local agencies in the conduct of river basin surveys and investigations, flood hazard analysis, and flood plain management assistance to aid in the development of coordinated water resource programs, including the development of guiding principles and procedures. SCS represents the Department on river basin regional entities and River Basin Interagency Committees for coordination among Federal Departments and States.

Watershed Planning

This activity is carried out under the Watershed and Flood Prevention Act, as amended, Public Law 83-566, August 4, 1954, (16 U.S.C. 1001-1008). The program consists of (a) making preliminary investigations to assess proposed small watershed projects in response to requests made by sponsoring local organizations and (b) providing assistance to sponsors in the development of watershed work plans. SCS is responsible for development of guiding principles and procedures.



Watershed and Flood Prevention Operations. Activities under this program include:

1. Watershed Operations authorized by Public Law 78-534

SCS administers watershed works of improvement authorized by the Flood Control Act of 1944 (33 U.S.C. 701b-1).

Flood prevention operations include planning and installing works of improvement for flood prevention and for the conservation, development, utilization, and disposal of water. This may also include the development of recreational facilities and the improvement of fish and wildlife habitat. Activities are authorized in 11 specific flood prevention projects covering about 11 million acres.

2. Emergency operations authorized by Section 216, Public Law 81-516, (33 U.S.C. 701b-1) and Sections 403-405, Public Law 95-334, (16 U.S.C. 2203-2205)

Emergency operations provide for the installation of emergency measures for runoff retardation and soil-erosion prevention, in cooperation with landowners and landusers, as the Secretary deems necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire, flood, or any other natural occurrence is causing or has caused a sudden impairment of that watershed.

3. Small Watersheds authorized by Public Law 83-566, as amended, (16 U.S.C. 1001-1008)

This program provides for cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement in approved watershed projects. Such works of improvement reduce erosion, floodwater, and sediment damage. They also further the conservation, development utilization, and disposal of water, including the development of multipurpose facilities for such uses as recreation, improvement of fish and wildlife habitat, irrigation, and water supply to municipal and industrial users.

Great Plains Conservation Program

The Great Plains Conservation Program is authorized by Public Law 84-1021, as amended, (16 U.S.C. 590p (b)). The program's objective is to bring about a long-term solution to problems resulting from drought and the cultivation of land unsuited for sustained crop production in the 10 Great Plains States. Activities include:

1. Cost-sharing of permanent conservation practices under long-term contracts with farmers and ranchers in designated counties in the 10 Great Plains States.

2. Cost-share programming and contract administration and technical assistance to help make needed land use adjustments and install conservation measures specified in basic conservation plans in accordance with contract schedules.

Resource Conservation and Development Program

Section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703), (7 U.S.C. 1010-1011) and Sections 1528-1538 of the Agriculture and Food Act of 1981 (Public Law 97-98) provide authority to assist locally sponsored Resource Conservation and Development Projects to conduct programs of land conservation and use in areas where acceleration of present conservation activities are needed and where projects add economic opportunities to the people.

Program Administration: The Soil Conservation Service maintains its central office in Washington, D.C. Most of its activities are carried out in about 3,050 field offices in the 50 States, Puerto Rico, and the Pacific Basin Area serving Guam, the Northern Mariana Islands, and American Samoa. Four technical service centers provide program coordination and technical support. This includes services such as engineering, watershed planning, cartographic work, soil mechanics laboratories, information, professional help in agronomy, soils, biology, forestry, plant materials, range conservation, and other technical work. As of September 30, 1989, there were 12,440 full-time employees and 1,992 part-time, intermittent, and other employees. Of these, 461 full-time employees and 19 other employees were located in Headquarters.

Soil Conservation Service  
Available Funds and Staff-Years  
1989 and Estimated, 1990 and 1991

| ITEM                                              | 1989 Actual   |              | 1990 Estimated |              | 1991 Estimated |              |
|---------------------------------------------------|---------------|--------------|----------------|--------------|----------------|--------------|
|                                                   | Amount 1/     | Staff: Years | Amount         | Staff: Years | Amount         | Staff: Years |
| Soil Conservation Service:                        |               |              |                |              |                |              |
| Conservation Operations...                        | \$465,434,292 | 10,431       | \$477,109,000  | 10,436       | \$506,998,000  | 10,637       |
| River Basin Surveys and Investigations.....       | 12,051,000    | 224          | 12,292,000     | 221          | 10,351,000     | 181          |
| Watershed Planning.....                           | 8,651,000     | 168          | 8,824,000      | 167          | 6,875,000      | 126          |
| Watershed and Flood Prevention Operations.....    | 172,373,000   | 1,568        | 180,867,000    | 1,487        | 151,112,000    | 1,330        |
| Great Plains Conservation Program.....            | 20,474,000    | 188          | 20,884,000     | 186          | 24,637,000     | 196          |
| Resource Conservation and Development.....        | 25,120,000    | 433          | 27,255,000     | 441          | 24,862,000     | 445          |
| Total.....                                        | 704,103,292   | 13,012       | 727,231,000    | 12,938       | 724,835,000    | 12,915       |
| Deduct allotments to other agencies:              |               |              |                |              |                |              |
| FS.....                                           | -4,355,344    | -78          | -4,919,600     | -70          | -3,667,000     | -50          |
| FmHA.....                                         | -315,000      | -10          | -310,500       | -11          | -309,000       | -10          |
| Net.....                                          | 699,432,948   | 12,924       | 722,000,900    | 12,857       | 720,859,000    | 12,855       |
| Obligations under other                           |               |              |                |              |                |              |
| USDA appropriations:                              |               |              |                |              |                |              |
| Reimbursements for technical services to:         |               |              |                |              |                |              |
| Agricultural Conservation Program (ASCS).....     | 8,287,615     | 288          | 9,118,000      | 304          | 8,800,000      | 288          |
| Experimental Rural Clean Water Program (ASCS).... | 1,007,316     | 25           | 1,010,000      | 24           | 1,010,000      | 24           |
| Water Bank Program (ASCS)                         | 386,730       | 14           | 400,000        | 14           | 570,000        | 19           |
| Emergency Conservation Program (ASCS).....        | 411,865       | 11           | 200,000        | 5            | -0-            | --           |
| Conservation Reserve Prog. 2/                     | 6,546,696     | 150          | 17,000,000     | 374          | 4,000,000      | 86           |
| Colorado Salinity Program                         | 1,584,463     | 41           | 3,877,000      | 96           | 5,613,000      | 136          |
| Foreign Details and Assignments (OICD).....       | 799,152       | 12           | 1,067,000      | 15           | 1,067,000      | 15           |
| Soil Survey (FS).....                             | 296,405       | 5            | 308,000        | 5            | 308,000        | 5            |
| Accelerate Soil Surveys..                         | 238,569       | 5            | 248,000        | 5            | 248,000        | 5            |
| Other: planning and application.....              | 208,200       | --           | 215,000        | --           | 215,000        | --           |
| Hazardous Waste Management:                       | 108,792       | --           | 173,000        | --           | 166,000        | --           |
| Reimbursement for other services for:             |               |              |                |              |                |              |
| Facilities: Rent, phone, utilities, etc.....      | 3,782,185     | 1            | 3,949,000      | 1            | 3,949,000      | 1            |
| Proceeds of sales.....                            | 180,081       | --           | 216,000        | --           | 216,000        | --           |
| Miscellaneous.....                                | 1,579,478     | 12           | 1,681,000      | 12           | 1,681,000      | 12           |
| Total, Other USDA Appropriations.....             | 25,417,547    | 564          | 39,462,000     | 855          | 27,843,000     | 591          |
| Total, Agriculture Appropriations.....            | 724,850,495   | 13,488       | 761,462,900    | 13,712       | 748,702,000    | 13,446       |
| Obligations under other                           |               |              |                |              |                |              |
| Federal appropriations:                           |               |              |                |              |                |              |
| Reimbursement for technical services for:         |               |              |                |              |                |              |
| Soil surveys (Interior)..                         | 1,045,800     | 26           | 1,085,000      | 26           | 1,085,000      | 26           |
| Accelerate Soil Surveys..                         | 784,604       | 22           | 825,000        | 22           | 825,000        | 22           |
| Other: planning and application.....              | 1,751,547     | 36           | 2,132,000      | 38           | 2,132,000      | 38           |
| Acid rain (EPA).....                              | 440,967       | 11           | 458,000        | 11           | 458,000        | 11           |

## Available Funds and Staff-Years 1989 and Estimated, 1990 and 1991 - Continued

| ITEM                                               | 1989 Actual    |              | 1990 Estimated |              | 1991 Estimated |              |
|----------------------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|
|                                                    | Amount         | Staff: Years | Amount         | Staff: Years | Amount         | Staff: Years |
| Snow Survey and Water Forecasting.....             | 81,948:        | 1:           | 85,000:        | 1:           | 85,000:        | 1            |
| Plant Materials Center Operations.....             | 46,700:        | --:          | 50,000:        | --:          | 50,000:        | --           |
| Cooperative surveys (RB).                          | 38,000:        | 1:           | 167,000:       | 4:           | 167,000:       | 4            |
| Flood Insurance Studies: (HUD).....                | 405,999:       | 12:          | 406,000:       | 14:          | 280,000:       | 10           |
| Reimbursement for other services for:              |                |              |                |              |                |              |
| Facilities: Rent, phone, utilities, etc.....       | 31,940:        | --:          | 50,000:        | --:          | 50,000:        | --           |
| Proceeds of sales.....                             | 121,524:       | --:          | 158,000:       | --:          | 153,000:       | --           |
| Financial assistance.....                          | 1,318,908:     | --:          | 2,220,000:     | --:          | 2,220,000:     | --           |
| Miscellaneous.....                                 | 1,217,871:     | 20:          | 1,630,000:     | 20:          | 1,756,000:     | 22           |
| Allocation from Other Federal Agencies:            |                |              |                |              |                |              |
| Rural Abandoned Mine Program (DOI-OSM).....        | 12,542,332:    | 109:         | 12,101,926:    | 101:         | 2,114,000:     | 11           |
| Obligations under non-Federal Funds:               |                |              |                |              |                |              |
| Reimbursement for technical service for:           |                |              |                |              |                |              |
| Planning and application.                          | 1,777,850:     | 38:          | 2,227,000:     | 39:          | 2,393,000:     | 41           |
| Accelerate Soil Surveys..                          | 4,553,400:     | 126:         | 4,700,000:     | 126:         | 4,700,000:     | 126          |
| Snow Survey and Water Forecasting.....             | 31,787:        | --:          | 48,000:        | --:          | 48,000:        | --           |
| Plant Materials Centers Operations.....            | 51,931:        | --:          | 56,000:        | --:          | 56,000:        | --           |
| A&E Contracts.....                                 | 14,706:        | --:          | -0-            | --:          | -0-            | --           |
| Cooperative River Basin Surveys.....               | 208,365:       | 8:           | 267,000:       | 9:           | 269,000:       | 9            |
| Watershed Planning.....                            | 128,500:       | 3:           | 233,000:       | 6:           | 236,000:       | 6            |
| Abandon Mine Reclamation.                          | 42,920:        | 2:           | 45,000:        | 2:           | 45,000:        | 2            |
| Reimbursement for other non-federal services for:  |                |              |                |              |                |              |
| Facilities: Rent, phone, utilities, etc.....       | 1,080,699:     | --:          | 1,157,000:     | --:          | 1,157,000:     | --           |
| Proceeds of sales.....                             | 487,328:       | --:          | 620,000:       | --:          | 616,000:       | --           |
| Financial Assistance.....                          | 4,327,997:     | --:          | 9,006,000:     | --:          | 9,070,000:     | --           |
| Miscellaneous.....                                 | 1,902,451:     | 35:          | 2,073,000:     | 34:          | 2,073,000:     | 34           |
| Trust funds:                                       |                |              |                |              |                |              |
| Small Watershed and RC&D projects and soil surveys | 886,851:       | 16:          | 553,000:       | 12:          | 560,000:       | 12           |
| Total Reimbursements and Other Funds.....          | 60,740,472:    | 1,030:       | 81,814,926:    | 1,320:       | 60,441,000:    | 966          |
| Total, Soil Conservation Service.....              | \$760,173,420: | 13,954:      | \$803,815,826: | 14,177:      | \$781,300,000: | 13,821       |

|                                   | 1989 Actual | 1990 Estimated | 1991 Estimated |
|-----------------------------------|-------------|----------------|----------------|
| Full-Time Equivalent Staff-Years: |             |                |                |
| Ceiling.....                      | 13,954      | 14,177         | 13,821         |
| Non-ceiling.....                  | 185         | 185            | 184            |
| Total.....                        | 14,139      | 14,362         | 14,005         |

- 1/ Conservation Operations - Excludes \$21,478 carryover for FY 1989 and \$2,393 carryover for FY 1990.  
Watershed and Flood Prevention Operations - Excludes \$27,883,892 carryover for FY 1989 and \$23,138,588 carryover for FY 1990.  
Great Plains Conservation Program - Excludes \$57,257 carryover for FY 1989 and \$51,443 carryover for FY 1990.  
Resource Conservation and Development - Excludes \$2,265,556 carryover for FY 1989 and \$2,205,200 carryover for FY 1990.
- 2/ Funding shows amounts actually used or anticipated.



UNITED STATES DEPARTMENT OF AGRICULTURE  
SOIL CONSERVATION SERVICE  
Permanent Positions by Grade and Staff-Year Summary  
1989 and Estimated 1990 and 1991

| Grade                  | 1989              |        |               | 1990              |        |               | 1991              |        |        |
|------------------------|-------------------|--------|---------------|-------------------|--------|---------------|-------------------|--------|--------|
|                        | Head-<br>quarters | Field  | Total 1/<br>: | Head-<br>quarters | Field  | Total 1/<br>: | Head-<br>quarters | Field  | Total  |
| ES-6                   | 1                 | 0      |               | 1                 | 0      |               | 1                 | 0      |        |
| ES-5                   | 7                 | 0      | 7             | 7                 | 0      | 7             | 7                 | 0      | 7      |
| ES-4                   | 9                 | 1      | 10            | 9                 | 1      | 10            | 9                 | 1      | 10     |
| ES-3                   | 3                 | 0      | 3             | 3                 | 0      | 3             | 3                 | 0      | 3      |
| ES-2                   | 2                 | 2      | 4             | 2                 | 2      | 4             | 2                 | 2      | 4      |
| ES-1                   | 0                 | 0      | 0             | 0                 | 0      | 0             | 0                 | 0      | 0      |
| GS/GM-15               | 48                | 53     | 101           | 48                | 58     | 106           | 48                | 57     | 105    |
| GS/GM-14               | 97                | 126    | 223           | 97                | 138    | 235           | 97                | 132    | 229    |
| GS/GM-13               | 100               | 596    | 696           | 100               | 633    | 733           | 100               | 614    | 714    |
| GS-12                  | 40                | 1,388  | 1,428         | 40                | 1,465  | 1,505         | 40                | 1,426  | 1,466  |
| GS-11                  | 19                | 3,549  | 3,568         | 19                | 3,740  | 3,759         | 19                | 3,644  | 3,663  |
| GS-10                  | 1                 | 3      | 4             | 1                 | 3      | 4             | 1                 | 3      | 4      |
| GS-9                   | 12                | 1,675  | 1,687         | 12                | 1,768  | 1,780         | 12                | 1,720  | 1,732  |
| GS-8                   | 12                | 230    | 242           | 12                | 243    | 255           | 12                | 236    | 248    |
| GS-7                   | 33                | 1,690  | 1,723         | 33                | 1,782  | 1,815         | 33                | 1,736  | 1,769  |
| GS-6                   | 32                | 879    | 911           | 32                | 928    | 960           | 32                | 903    | 935    |
| GS-5                   | 21                | 951    | 972           | 21                | 1,003  | 1,024         | 21                | 977    | 998    |
| GS-4                   | 14                | 604    | 618           | 14                | 637    | 651           | 14                | 620    | 634    |
| GS-3                   | 4                 | 185    | 189           | 4                 | 195    | 199           | 4                 | 190    | 194    |
| GS-2                   | 0                 | 8      | 8             | 0                 | 8      | 8             | 0                 | 8      | 8      |
| GS-1                   | 0                 | 5      | 5             | 0                 | 5      | 5             | 0                 | 5      | 5      |
| Other Graded Positions | 7                 | 0      | 7             | 7                 | 0      | 7             | 7                 | 0      | 7      |
| Ungraded Positions     | 0                 | 47     | 47            | 0                 | 50     | 50            | 0                 | 48     | 48     |
| Total Perm. Positions  | 462               | 11,992 | 12,454        | 462               | 12,659 | 13,121        | 462               | 12,322 | 12,784 |
| Staff-Years:           |                   |        |               |                   |        |               |                   |        |        |
| Ceiling                | 449               | 13,505 | 13,954        | 449               | 13,728 | 14,177        | 449               | 13,372 | 13,821 |
| Non-Ceiling 2/         | 11                | 174    | 185           | 11                | 174    | 185           | 11                | 173    | 184    |
| TOTAL                  | 460               | 13,679 | 14,139        | 460               | 13,902 | 14,362        | 460               | 13,545 | 14,005 |

1/ Includes positions for Rural Abandoned Mine Program.

2/ Includes staff-years for stay-in-school positions.

## SOIL CONSERVATION SERVICE

CLASSIFICATION BY OBJECTS1989 and 1990 and 1991

|                                                                   | <u>FY 1989</u>       | <u>FY 1990</u>       | <u>FY 1991</u>       |
|-------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <u>Personnel Compensation:</u>                                    |                      |                      |                      |
| Headquarters.....                                                 | \$19,331,851         | \$21,007,534         | \$21,865,554         |
| Field.....                                                        | <u>353,312,573</u>   | <u>357,880,466</u>   | <u>371,615,446</u>   |
| 11 Total personnel compensation.....                              | 372,644,424          | 378,888,000          | 393,481,000          |
| 12 Personnel benefits.....                                        | 74,835,798           | 77,668,000           | 82,153,000           |
| 13 Benefits for Former Personnel.....                             | 526,040              | 515,000              | 522,000              |
| Total personnel compensation & benefits                           | <u>448,006,262</u>   | <u>457,071,000</u>   | <u>476,156,000</u>   |
| <u>Other Objects:</u>                                             |                      |                      |                      |
| 21 Travel .....                                                   | 18,232,359           | 18,372,000           | 18,978,000           |
| 22 Transportation of things .....                                 | 4,791,987            | 4,846,000            | 5,052,000            |
| 23.2 Rental payments to others .....                              | 17,422,068           | 16,111,000           | 16,898,000           |
| 23.3 Communications, utilities and<br>miscellaneous charges ..... | 20,922,320           | 23,368,000           | 24,316,000           |
| 24 Printing and reproduction .....                                | 4,323,864            | 4,287,000            | 4,455,000            |
| 25 Other services .....                                           | 36,152,700           | 37,451,000           | 39,680,000           |
| Construction contracts .....                                      | 69,561,064           | 94,788,000           | 56,909,000           |
| 26 Supplies and materials .....                                   | 14,321,840           | 14,727,000           | 14,577,000           |
| 31 Equipment .....                                                | 23,957,118           | 21,963,000           | 21,953,000           |
| 32 Land and structures .....                                      | 107,098              | 107,000              | 111,000              |
| 41 Grants, subsidies and contracts....                            | 45,841,116           | 54,179,000           | 41,652,000           |
| 42 Insurance claims and indemnities ..                            | 101,752              | 99,000               | 103,000              |
| 43 Interest and dividends .....                                   | 18,211               | 19,000               | 19,000               |
| 44 Refunds .....                                                  | (4)                  | 0                    | 0                    |
| Total other objects .....                                         | <u>255,753,493</u>   | <u>290,317,000</u>   | <u>244,703,000</u>   |
| Total direct obligations .....                                    | <u>\$703,759,755</u> | <u>\$747,388,000</u> | <u>\$720,859,000</u> |
| <u>Position Data:</u>                                             |                      |                      |                      |
| Average salary, ES positions .....                                | \$76,272             | \$78,320             | \$92,056             |
| Average salary, GS/GM positions .....                             | \$29,761             | \$30,832             | \$31,912             |
| Average Grade, GM/GS positions .....                              | 9.13                 | 9.11                 | 9.11                 |

UNITED STATES DEPARTMENT OF AGRICULTURE  
Soil Conservation Service

Personnel Summary  
FY 1989 Actual

|                                                | Agency 1/       | Full-Time     | Other 2/     | Overtime &<br>Holidays<br>Worked | Total<br>Staff<br>Years |
|------------------------------------------------|-----------------|---------------|--------------|----------------------------------|-------------------------|
| Conservation Operations                        | SCS             | 9,433         | 1,087        | 42                               | 10,562                  |
| River Basin Surveys and<br>Investigations..... | SCS             | 205           | 8            | --                               | 213                     |
|                                                | FS              | 11            | 2            | --                               | 13                      |
|                                                | <u>Subtotal</u> | <u>216</u>    | <u>10</u>    | <u>--</u>                        | <u>226</u>              |
| Watershed Planning.....                        | SCS             | 159           | 7            | --                               | 166                     |
|                                                | FS              | 3             | --           | --                               | 3                       |
|                                                | <u>Subtotal</u> | <u>162</u>    | <u>7</u>     | <u>--</u>                        | <u>169</u>              |
| Watershed and Flood<br>Prevention Operations   | SCS             | 1,393         | 119          | 33                               | 1,545                   |
|                                                | FmHA            | 8             | --           | --                               | 8                       |
|                                                | FS              | 52            | 8            | --                               | 60                      |
|                                                | <u>Subtotal</u> | <u>1,453</u>  | <u>127</u>   | <u>33</u>                        | <u>1,613</u>            |
| Great Plains Conserva-<br>tion Program.....    | SCS             | 181           | 9            | --                               | 190                     |
| Resource Conservation<br>and Development.....  | SCS             | 375           | 57           | --                               | 432                     |
|                                                | FmHA            | 2             | --           | --                               | 2                       |
|                                                | FS              | 2             | --           | --                               | 2                       |
|                                                | <u>Subtotal</u> | <u>379</u>    | <u>57</u>    | <u>--</u>                        | <u>436</u>              |
| Total Direct Program...                        | SCS             | 11,746        | 1,287        | 75                               | 13,108                  |
|                                                | FmHA            | 10            | --           | --                               | 10                      |
|                                                | FS              | 68            | 10           | --                               | 78                      |
|                                                | <u>Subtotal</u> | <u>11,824</u> | <u>1,297</u> | <u>75</u>                        | <u>13,196</u>           |
| Reimbursable Programs..                        | SCS             | 765           | 140          | --                               | 905                     |
| Miscellaneous Contri-<br>buted Funds.....      | SCS             | 10            | 6            | --                               | 16                      |
| Allocation from DOI<br>(Abandoned Mine).....   | SCS             | <u>104</u>    | <u>6</u>     | <u>--</u>                        | <u>110</u>              |
| Total Program.....                             | SCS             | 12,625        | 1,439        | 75                               | 14,139                  |
|                                                | FmHA            | 10            | --           | --                               | 10                      |
|                                                | FS              | 68            | 10           | --                               | 78                      |
|                                                | <u>Total</u>    | <u>12,703</u> | <u>1,449</u> | <u>75</u>                        | <u>14,227</u>           |

1/ SCS: Soil Conservation Service  
FS: Forest Service  
FmHA: Farmers Home Administration

2/ Includes non-ceiling staff-years for the stay-in-school program.

UNITED STATES DEPARTMENT OF AGRICULTURE  
SOIL CONSERVATION SERVICE

Personnel Summary by Organization Level  
FY 1989

|                                                                                     | <u>Average<br/>GS &amp; GM<br/>Salary 1/</u> | <u>Average<br/>GS &amp; GM<br/>Grade 1/</u> | <u>Average<br/>Salary -<br/>Ungraded 1/</u> | <u>Total<br/>Staff-<br/>Years 2/</u> |
|-------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|---------------------------------------------|--------------------------------------|
| Washington Headquarters.....                                                        | \$41,241                                     | 11.30                                       | N/A                                         | 460                                  |
| Technical Service Centers.....                                                      | \$38,081                                     | 10.68                                       | \$26,229                                    | 482                                  |
| Other National Units.....                                                           | N/A                                          | N/A                                         | N/A                                         | 142                                  |
| State Offices.....                                                                  | \$29,020                                     | 8.99                                        | \$22,734                                    | 1,457                                |
| State Technical Specialists....                                                     | N/A                                          | N/A                                         | N/A                                         | 663                                  |
| Plant Materials Centers.....                                                        | N/A                                          | N/A                                         | N/A                                         | 116                                  |
| Miscellaneous State Units.....                                                      | N/A                                          | N/A                                         | N/A                                         | 634                                  |
| Area Office Staffs.....                                                             | N/A                                          | N/A                                         | N/A                                         | 1,519                                |
| Miscellaneous Area Units.....                                                       | N/A                                          | N/A                                         | N/A                                         | 1,318                                |
| Field Office Staffs.....                                                            | N/A                                          | N/A                                         | N/A                                         | 7,348                                |
| Subtotal, SCS Direct, Reim-<br>bursable and Miscellaneous<br>Contributed Funds..... | \$29,761                                     | 9.13                                        | \$25,251                                    | 14,139                               |
| Allocations to Other Agencies:                                                      |                                              |                                             |                                             |                                      |
| Farmers Home Administration..                                                       |                                              |                                             | --                                          | 10                                   |
| Forest Service.....                                                                 |                                              |                                             | --                                          | 78                                   |
| Subtotal, Allocations.....                                                          |                                              |                                             | --                                          | 88                                   |
| Total.....                                                                          | N/A                                          | N/A                                         | N/A                                         | 14,227                               |

1/ This is not figured below the State Office level.

2/ Includes 185 nonceiling staff years.

SOIL CONSERVATION SERVICE  
(SCS Only)  
Salaries and Expenses  
FY 1989 Actual  
(Dollars in Thousands)

|                                   | Total<br>Obligations | Conservation<br>Operations | River Basin<br>Surveys and<br>Investi-<br>gations | Watershed<br>Planning | Watershed<br>and Flood<br>Prevention<br>Operations | Great Plains<br>Conservation<br>Program | Resource<br>Conservation<br>and<br>Development |
|-----------------------------------|----------------------|----------------------------|---------------------------------------------------|-----------------------|----------------------------------------------------|-----------------------------------------|------------------------------------------------|
| Management and Program Direction: |                      |                            |                                                   |                       |                                                    |                                         |                                                |
| Washington Headquarters.....      | \$28,881             | \$22,163                   | \$709                                             | \$224                 | \$4,772                                            | \$166                                   | \$847                                          |
| State Offices.....                | 67,045               | 49,093                     | 2,209                                             | 1,375                 | 10,780                                             | 680                                     | 2,908                                          |
| Technical Service Centers.....    | 2,749                | 2,240                      | 25                                                | 104                   | 346                                                | 5                                       | 29                                             |
| SUBTOTAL.....                     | 98,675               | 73,496                     | 2,943                                             | 1,703                 | 15,898                                             | 851                                     | 3,784                                          |
| %.....                            | 16.82                | 15.80                      | 26.40                                             | 20.33                 | 21.52                                              | 10.34                                   | 19.14                                          |
| Technical Support:                |                      |                            |                                                   |                       |                                                    |                                         |                                                |
| State Technical Specialists.....  | 32,230               | 23,823                     | 1,449                                             | 724                   | 5,381                                              | 247                                     | 606                                            |
| Technical Service Centers.....    | 7,740                | 6,144                      | 151                                               | 414                   | 808                                                | 82                                      | 141                                            |
| Other National Units.....         | 190                  | 190                        | --                                                | --                    | --                                                 | --                                      | --                                             |
| SUBTOTAL.....                     | 40,160               | 30,157                     | 1,600                                             | 1,138                 | 6,189                                              | 329                                     | 747                                            |
| %.....                            | 6.85                 | 6.49                       | 14.35                                             | 13.58                 | 8.38                                               | 4.00                                    | 3.78                                           |
| Program Operations:               |                      |                            |                                                   |                       |                                                    |                                         |                                                |
| Technical Service Centers.....    | 19,007               | 12,905                     | 384                                               | 857                   | 4,630                                              | 53                                      | 178                                            |
| Plant Materials Centers.....      | 4,354                | 4,305                      | --                                                | --                    | 49                                                 | --                                      | --                                             |
| Other National Units.....         | 23,153               | 18,875                     | 378                                               | 291                   | 2,958                                              | 403                                     | 248                                            |
| Miscellaneous State Units.....    | 28,019               | 9,264                      | 4,340                                             | 4,100                 | 9,510                                              | 12                                      | 793                                            |
| Area Office Staffs.....           | 63,957               | 51,983                     | 291                                               | 78                    | 8,622                                              | 1,034                                   | 1,949                                          |
| Miscellaneous Area Units.....     | 50,091               | 29,088                     | 178                                               | 3                     | 10,692                                             | --                                      | 10,130                                         |
| Field Office Staffs.....          | 259,075              | 235,011                    | 1,035                                             | 209                   | 15,328                                             | 5,546                                   | 1,946                                          |
| SUBTOTAL.....                     | 447,656              | 361,431                    | 6,606                                             | 5,538                 | 51,789                                             | 7,048                                   | 15,244                                         |
| %.....                            | 76.33                | 77.71                      | 59.25                                             | 66.09                 | 70.10                                              | 85.66                                   | 77.08                                          |
| TOTAL.....                        | \$586,491            | \$465,084                  | \$11,149                                          | \$8,379               | \$73,876                                           | \$8,228                                 | \$19,775                                       |
| %.....                            | 100.00               | 100.00                     | 100.00                                            | 100.00                | 100.00                                             | 100.00                                  | 100.00                                         |



Organizational Summary:

|                                                  | Total<br>Obligations | Conservation<br>Operations | River Basin<br>Surveys and<br>Investi-<br>gations | Watershed<br>Planning | Watershed<br>and Flood<br>Prevention<br>Operations | Great Plains<br>Conservation<br>Program | Resource<br>Conservation<br>and<br>Development |
|--------------------------------------------------|----------------------|----------------------------|---------------------------------------------------|-----------------------|----------------------------------------------------|-----------------------------------------|------------------------------------------------|
| Washington Headquarters.....                     | \$28,881             | \$22,163                   | \$709                                             | \$224                 | \$4,772                                            | \$166                                   | \$847                                          |
| State Offices.....                               | 67,045               | 49,093                     | 2,209                                             | 1,375                 | 10,780                                             | 680                                     | 2,908                                          |
| State Technical Specialists....                  | 32,230               | 23,823                     | 1,449                                             | 724                   | 5,381                                              | 247                                     | 606                                            |
| Technical Service Centers.....                   | 29,496               | 21,289                     | 560                                               | 1,375                 | 5,784                                              | 140                                     | 348                                            |
| Plant Materials Centers.....                     | 4,354                | 4,305                      | --                                                | --                    | 49                                                 | --                                      | --                                             |
| Other National Units.....                        | 23,343               | 19,065                     | 378                                               | 291                   | 2,958                                              | 403                                     | 248                                            |
| Miscellaneous State Units.....                   | 28,019               | 9,264                      | 4,340                                             | 4,100                 | 9,510                                              | 12                                      | 793                                            |
| Area Office Staffs.....                          | 63,957               | 51,983                     | 291                                               | 78                    | 8,622                                              | 1,034                                   | 1,949                                          |
| Miscellaneous Area Units.....                    | 50,091               | 29,088                     | 178                                               | 3                     | 10,692                                             | --                                      | 10,130                                         |
| Field Office Staffs.....                         | 259,075              | 235,011                    | 1,035                                             | 209                   | 15,328                                             | 5,546                                   | 1,946                                          |
| TOTAL SCS.....                                   | 586,491              | 465,084                    | 11,149                                            | 8,379                 | 73,876                                             | 8,228                                   | 19,775                                         |
| Cost-Share/Construction.....                     | 117,269              | --                         | --                                                | --                    | 100,396                                            | 12,252                                  | 4,621                                          |
| TOTAL SCS OBLIGATIONS NET....                    | 703,760              | 465,084                    | 11,149                                            | 8,379                 | 174,272                                            | 20,480                                  | 24,396                                         |
| FmHA.....                                        | 315                  | --                         | --                                                | --                    | 255                                                | --                                      | 60                                             |
| FS.....                                          | 4,355                | --                         | 827                                               | 212                   | 2,591                                              | --                                      | 725                                            |
| Subtotal.....                                    | 4,670                | --                         | 827                                               | 212                   | 2,846                                              | --                                      | 785                                            |
| TOTAL OBLIGATIONS, NET OF<br>REIMBURSEMENTS..... | \$708,430            | \$465,084                  | \$11,976                                          | \$8,591               | \$177,118                                          | \$20,480                                | \$25,181                                       |

## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Conservation Operations

- For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [\$481,000,000] \$506,998,000; of which not less than [\$5,494,000] \$5,563,000 is for snow survey and water forecasting and not less than [\$7,234,000] \$7,315,000 is for operation and
- 1 establishment of the plant materials centers: Provided, [That of the foregoing amounts not less than \$355,000,000 is for personnel compensation and benefits: Provided further,] That except for \$1,841,000 for improvements of the plant materials centers, the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$10,000, except for one building to be constructed at a cost not to exceed \$100,000 and eight buildings to be constructed or improved at a cost not to exceed \$50,000 per building and except that alterations or improvements to other existing permanent buildings costing \$5,000 or more may be made in any fiscal year in an amount not to exceed \$2,000 per building: Provided further, That when buildings or other structures are erected on non-Federal land that right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2) [: Provided further, That none of the funds in this Act shall be used for the purpose of consolidating equipment, personnel, or services of the Soil Conservation Service's national technical centers in Portland, Oregon; Lincoln, Nebraska; Chester, Pennsylvania; and Fort Worth, Texas into a single national technical center].
  - 2

The first change in language proposes deletion of the language establishing a floor on the amount of funds available for personnel compensation and benefits. This limitation severely limits managerial flexibility in maintaining the proper balance between staffing needs and other support items such as travel, training and equipment that are required for effective delivery of program services to farmers, ranchers and others who participate in conservation programs. Implementation of the conservation provisions of the Food Security Act of 1985 is having a major impact on SCS field offices as additional demands are made to provide technical assistance and soil survey data. Maximum flexibility is needed to ensure that all available resources can be used to meet these needs in a timely manner. The limitation also adds unnecessarily to administrative overhead costs because of the need to maintain additional accounting and managerial controls.

The second change proposes deletion of language prohibiting the use of appropriated funds for consolidating the four existing SCS technical centers into one center. This language is no longer required because SCS plans to continue operating all four technical centers.

Conservation Operations

|                                                   |                    |
|---------------------------------------------------|--------------------|
| Appropriations Act, 1990.....                     | \$481,000,000      |
| Budget Estimate, 1991.....                        | 506,998,000        |
| Increase in Appropriation.....                    | <u>+25,998,000</u> |
| Adjustments in 1990:                              |                    |
| Appropriations Act, 1990.....                     | \$481,000,000      |
| Gramm-Rudman-Hollings Reduction (P.L.99-177)..... | -4,051,000         |
| Transfer from the Departmental Rental Payments    |                    |
| Account for non-GSA buildings a/.....             | +160,000           |
| Adjusted base for 1990.....                       | \$477,109,000      |
| Budget Estimate, 1991.....                        | 506,998,000        |
| Increase over adjusted 1990.....                  | <u>+29,889,000</u> |

a/ Funds were transferred in 1989 from the Rental Payments (USDA) account for leases  
 Reassigned by GSA to SCS in 1989 and 1990.

SUMMARY OF INCREASES  
 (on basis of adjusted appropriation)

| Item of Change                     | 1990<br>Estimated    | Pay Cost            | Program<br>Changes   | 1991<br>Estimated    |
|------------------------------------|----------------------|---------------------|----------------------|----------------------|
| Technical assistance.....          | \$396,426,000        | +\$7,050,000        | +\$20,832,000        | \$424,308,000        |
| Soil survey.....                   | 68,075,000           | +1,148,000          | +589,000             | 69,812,000           |
| Snow survey and water forecasting. | 5,447,000            | +69,000             | +47,000              | 5,563,000            |
| Operation of plant materials ctrs. | 7,161,000            | +81,000             | +73,000              | 7,315,000            |
| TOTAL AVAILABLE.....               | <u>\$477,109,000</u> | <u>+\$8,348,000</u> | <u>+\$21,541,000</u> | <u>\$506,998,000</u> |

PROJECT STATEMENT  
 (On basis of adjusted appropriation)

| Project                                    | 1989                 |               | 1990 estimated       |               | Increase         | 1991 estimated |        |
|--------------------------------------------|----------------------|---------------|----------------------|---------------|------------------|----------------|--------|
|                                            | Amount               | Staff         | Amount               | Staff         |                  | Amount         | Staff  |
| 1. Technical assistance.....               | \$386,694,292        | 8,896         | \$396,426,000        | 8,942         | +\$27,882,000(1) | \$424,308,000  | 9,143  |
| 2. Soil surveys.....                       | 68,203,000           | 1,326         | 68,075,000           | 1,281         | +1,737,000(2)    | 69,812,000     | 1,281  |
| 3. Snow survey and water forecasting       | 5,494,000            | 86            | 5,447,000            | 86            | +116,000(3)      | 5,563,000      | 86     |
| 4. Operation of plant materials centers    | 5,043,000            | 123           | 7,161,000            | 127           | +154,000(4)      | 7,315,000      | 127    |
| Total available estimate.....              | 465,434,292          | 10,431        | 477,109,000          | 10,436        | +\$29,889,000    | \$506,998,000  | 10,637 |
| Transfer from CRP....                      | -61,461,000          | --            | --                   | --            |                  |                |        |
| Transfer from Rental.                      | -711,292             | --            | -160,000             | --            |                  |                |        |
| Gramm-Rudman-Hollings Reduction PL 99-177. | --                   | --            | +4,051,000           | --            |                  |                |        |
| Total, appropriation.                      | <u>\$403,262,000</u> | <u>10,431</u> | <u>\$481,000,000</u> | <u>10,436</u> |                  |                |        |

**PROJECT STATEMENT**  
(On basis of available funds)

| Project                                  | 1989           |                | 1990 estimated |                | Increase<br>or<br>Decrease | 1991 estimated |                |
|------------------------------------------|----------------|----------------|----------------|----------------|----------------------------|----------------|----------------|
|                                          | Amount         | Staff<br>Years | Amount         | Staff<br>Years |                            | Amount         | Staff<br>Years |
| Direct obligations:                      |                |                |                |                |                            |                |                |
| 1. Technical assistance.....             | \$386,455,940: | 8,896:         | \$396,428,393: | 8,942:         | +\$27,879,607:             | \$424,308,000: | 9,143          |
| 2. Soil surveys.....                     | 68,092,949:    | 1,326:         | 68,075,000:    | 1,281:         | +1,737,000:                | 69,812,000:    | 1,281          |
| 3. Snow survey and water forecasting     | 5,495,980:     | 86:            | 5,447,000:     | 86:            | +116,000:                  | 5,563,000:     | 86             |
| 4. Operation of plant materials centers  | 5,038,994:     | 123:           | 7,161,000:     | 127:           | +154,000:                  | 7,315,000:     | 127            |
| Total direct obligations.....            | 465,083,863:   | 10,431:        | 477,111,393:   | 10,436:        | +29,886,607:               | 506,998,000:   | 10,637         |
| Unobligated balance brought forward..... | (-21,478)      | --:            | (-2,393)       | --:            | (+2,393)                   | --:            | --             |
| Unobligated balance carried forward..... | (2,393)        | --:            | --:            | --:            | --:                        | --:            | --             |
| Unobligated balance lapsing.....         | (369,514)      | --:            | --:            | --:            | --:                        | --:            | --             |
| Adjusted appropriation.....              | (465,434,292)  | (10,431)       | (477,109,000)  | (10,436)       | (+29,889,000)              | (506,998,000)  | (10,637)       |
| Reimbursable obligations:                |                |                |                |                |                            |                |                |
| 1. Technical assistance.....             | 31,496,807:    | 664:           | 45,840,000:    | 956:           | -11,612,000:               | 34,228,000:    | 692            |
| 2. Soil surveys.....                     | 8,077,680:     | 198:           | 8,412,000:     | 198:           | --:                        | 8,412,000:     | 198            |
| 3. Snow survey and water forecasting     | 257,287:       | 2:             | 287,000:       | 2:             | --:                        | 287,000:       | 2              |
| 4. Operation of plant materials centers  | 301,524:       | 2:             | 334,000:       | 2:             | --:                        | 334,000:       | 2              |
| Total, reimbursable obligations.....     | 40,133,298:    | 866:           | 54,873,000:    | 1,158:         | -11,612,000:               | 43,261,000:    | 894            |
| Obligational authority.....              | \$505,217,161: | 11,297:        | \$531,984,393: | 11,594:        | +\$18,274,607:             | \$550,259,000: | 11,531         |

**SOURCES OF REIMBURSEMENTS**

| Project                                                | 1989          |                | 1990 estimated |                | Increase<br>or<br>Decrease | 1991 estimated |                |
|--------------------------------------------------------|---------------|----------------|----------------|----------------|----------------------------|----------------|----------------|
|                                                        | Amount        | Staff<br>Years | Amount         | Staff<br>Years |                            | Amount         | Staff<br>Years |
| Within USDA:                                           |               |                |                |                |                            |                |                |
| Agricultural Stabilization & Conservation Service..... | \$18,224,685: | 529:           | \$31,605,000:  | 817:           | -\$11,612,000:             | \$19,993,000:  | 553            |
| Office of International Cooperation & Development..... | 706,153:      | 10:            | 1,000,000:     | 14:            | --:                        | 1,000,000:     | 14             |
| Other.....                                             | 6,281,199:    | 23:            | 6,564,000:     | 23:            | --:                        | 6,564,000:     | 23             |
| Other Federal.....                                     | 5,331,888:    | 110:           | 5,625,000:     | 110:           | --:                        | 5,625,000:     | 110            |
| Non-Federal:                                           |               |                |                |                |                            |                |                |
| State & Counties for soil surveys.....                 | 4,553,400:    | 126:           | 4,700,000:     | 126:           | --:                        | 4,700,000:     | 126            |
| Other.....                                             | 5,035,973:    | 68:            | 5,379,000:     | 68:            | --:                        | 5,379,000:     | 68             |
| Total reimbursements..                                 | \$40,133,298: | 866:           | \$54,873,000:  | 1,158:         | -\$11,612,000:             | \$43,261,000:  | 894            |

**OUTLAYS**

| Project                                      | 1989          | 1990          | Increase or<br>Decrease | 1991          |
|----------------------------------------------|---------------|---------------|-------------------------|---------------|
|                                              | Actual        | Estimated     |                         | Estimated     |
| 1. Technical assistance.....                 | \$370,306,624 | \$398,303,000 | +\$23,580,000           | \$421,883,000 |
| 2. Soil Surveys.....                         | 65,247,459    | 68,547,000    | +1,128,000              | 69,675,000    |
| 3. Snow survey and water forecasting.....    | 5,266,233     | 5,489,000     | +66,000                 | 5,555,000     |
| 4. Operation of plant materials centers..... | 4,828,606     | 7,026,000     | +235,000                | 7,261,000     |
| Total outlays.....                           | \$455,648,922 | \$479,365,000 | +\$25,009,000           | \$504,374,000 |



EXPLANATION OF PROGRAM

The appropriation "Conservation Operations," funds four Soil Conservation Service activities authorized by the Act of April 27, 1935, (16 U.S.C. 590-590f); and the Soil and Water Resources Conservation Act of 1977, (16 U.S.C. 2001-2009). These activities are designed to reduce erosion, solve soil and water management problems, bring about physical adjustments in land use, improve agriculture, and reduce damage caused by floods and sedimentation. Activities include:

1. Technical assistance - The Soil Conservation Service provides technical assistance to 2,941 conservation districts. These districts, formed under State enabling legislation and locally controlled, have within their boundaries about 99 percent of the farms and ranches in the Nation. Through these conservation districts, the Soil Conservation Service provides technical help to more than 2,300,000 district cooperators, who are primarily farmers and ranchers, having land use and conservation problems. More than 1 million district cooperators receive help on an annual basis. About 18,000 State and local units of government were assisted with problems of land use, conservation, or building and water resource developments during FY 1989.

Conservation plans developed by landusers consist of their decisions to achieve conservation objectives, and contain soil and capability maps and other basic resource data interpreted for alternative uses and treatment.

Installation services are provided to cooperating land users to help them apply planned conservation systems. These services include site investigation, designs and specifications, construction plans, and layout of practices.

Technical assistance is currently being provided to implement the highly erodible land, wetland, and Conservation Reserve Program (CRP) provisions of the 1985 Food Security Act. SCS field technicians make the highly erodible land and wetland determinations and assist landusers in the preparation of conservation plans and application of practices needed to ensure compliance with the law. Producers had until December 31, 1989, to have an approved conservation plan developed on all highly erodible cropland in order to retain their eligibility for USDA farm program benefits. The approved conservation measures must then be installed by December 31, 1994. As of October 1989, 2.48 million highly erodible land determinations and 795,217 wetland determinations had been made; conservation plans were completed for 133.3 million acres and conservation systems were applied on 38.6 million acres. After the ninth program sign up, the CRP has 33.9 million acres enrolled in 333,395, 10-year contracts which reduce erosion by 656 million tons annually (20 tons per acre).

Technical services are also provided to individuals and groups participating in the Agricultural Conservation Program (ACP) for site selection, layout, or establishment of specified conservation practices; and to those farmers who enter into contracts under the CRP. Almost 64,000 contracts covering about 5.8 million acres were signed in FY 1989 for the CRP, and it is estimated that technical assistance was provided for the ACP on approximately 99,000 farms and 4.8 million acres.

This item also funds the inventory and monitoring, resource appraisal and program development activities of the Soil Conservation Service. Natural and related resource data, other than soil survey data, are collected and interpreted for National assessments, and provided to users for resource programming and planning decisions. In addition, special resource inventories are made of wind erosion conditions in the Great Plains, and for identification of important farmlands and areas with critical erosion rates. Nationwide appraisals of soil, water, and related resources are conducted on a periodic basis and future long-range conservation programs are developed to help USDA, soil and water conservation districts, and other Federal, State and local agencies identify the highest priority problems and the present and likely future demands on the soil, water, and related resources of the Nation.



Overall accomplishments under the Conservation Technical Assistance program are as follows:

|                                                                      | FY 1989<br><u>Actual</u> | FY 1990<br><u>Estimate</u> | FY 1991<br><u>Estimate</u> |
|----------------------------------------------------------------------|--------------------------|----------------------------|----------------------------|
| Decisionmakers receiving technical services (000's).....             | 1,283                    | 1,300                      | 1,300                      |
| Acres treated through conservation technical assistance (000's)..... | 62,691                   | 63,000                     | 63,000                     |
| Tons of soil erosion reduced (000's).                                | 353,930                  | 240,000                    | 240,000                    |

2. Soil surveys - Special investigations and interpretations are made to determine the kinds of soil, potential alternative uses, and their needs for full use and conservation. Each soil survey includes field mapping and necessary correlation, interpretation, investigations, and laboratory work. These surveys are conducted cooperatively with other Federal agencies, land grant colleges, other State agencies, and local organizations. The published soil survey for a county or designated area includes maps with explanatory information useful in many Federal, State, county, and local community programs. Special reports are prepared and released as needed for local uses. Current program emphasis is being placed on project mapping and soils interpretation assistance to private individuals and other Federal, State and local decision makers who received a diminished level of technical assistance during the acceleration of mapping on Food Security Act impacted land that did not have a completed soil survey.

Actual and projected accomplishments for the soil survey program are as follows:

|                                              | FY 1989<br><u>Actual</u> | FY 1990<br><u>Estimate</u> | FY 1991<br><u>Estimate</u> |
|----------------------------------------------|--------------------------|----------------------------|----------------------------|
| Acres mapped annually by SCS (millions)..... | 34.8                     | 40.0                       | 40.0                       |
| Soil surveys ready for publication (number). | 79                       | 72                         | 72                         |

3. Snow survey and water forecasting - Snow survey and water forecasting provides a valuable service to irrigators and others who rely upon snow data and water supply forecasts in planning annual operations. More than 10,000,000 acres of irrigated land in the Western States and Alaska are served by water supply forecasts. Although water supply forecasts are geared primarily to the needs of rural farm and ranch operators, they are used extensively by a wide variety of water management groups that have responsibility for flood control, recreation, fish and wildlife, power generation, municipal and industrial water supply, and water quality management.
4. Operation of plant materials centers - Plant materials centers are operated for testing, selection, and providing for the commercial production of plants for erosion control, special conservation purposes, and adaptation to unusual soil and site conditions. The work at the 26 centers includes cooperation with State and Federal agencies, commercial businesses, and seed and nursery associations to encourage production, release, and use of new or uncommon plant materials needed in soil and water conservation programs. Over 200 new conservation plant varieties from this program are in large scale use in combating the many problems encountered in a total program of soil, water, and related resource conservation. Twelve new conservation plants were released for conservation purposes during FY 1989.

#### OIG Reports

|            |             |                                                                                                 |
|------------|-------------|-------------------------------------------------------------------------------------------------|
| 10610-6-AT | 9-22-89     | SCS Cost/Benefit Analysis and Automated Data Processing Equipment Inventory.                    |
| 10610-7-AT | In Progress | State Level Implementation of Field Office Communication and Automation System.                 |
| 022965     | In Progress | Farm Conservation Compliance under FSA of 1985 concurrent with GAO Audit - same report numbers. |

GAO Reports

|        |             |                                                                                                          |
|--------|-------------|----------------------------------------------------------------------------------------------------------|
| 021026 | 4-07-89     | Award of Contracts to Perform Consulting Services for Conservation Plans Required by the 1985 Farm Bill. |
| 510407 | 6-03-89     | ADP/Telecommunication Assessment.                                                                        |
| 014416 | In Progress | Survey of Agency Mail Practices.                                                                         |
| 022965 | In Progress | Farm Conservation Compliance under FSA of 1985 concurrent with OIG audit - same report numbers.          |
| 089452 | In Progress | Nonpoint Source Pollution.                                                                               |

JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase in appropriation of \$27,882,000 for technical assistance (on the basis of available funds there is an increase of \$27,879,607) consisting of:

(a) An increase of \$17,623,000 to provide technical assistance in support of the Government wide water quality initiative (\$26,477,000 available for this initiative in 1990).

Need for Change. Fiscal year 1991 is the second year of a Government-wide water quality initiative to respond to public concern about contamination of U.S. surface and ground waters from pesticides, nutrients, animal wastes, sediment and salinity; and to meet the requirements of the Water Quality Act (WQA) of 1987 in conjunction with the Clean Water Act (CWA) of 1972. It is estimated that ground water supplies in approximately 1,437 counties in the U.S. are vulnerable to potential contamination from toxic elements in pesticides and/or nutrients in fertilizers, and a similar situation exists for surface water contamination. The WQA and CWA place greater responsibility on States and private individuals to control water pollution resulting from nonpoint sources, including agriculture. The USDA water quality initiative utilizes voluntary changes of conservation planning and application activities by landowners and users to reduce pollutants reaching the Nation's ground water and surface water.

Nature of Change. The 1991 budget proposes to add \$17.6 million and 201 additional staff years to the Soil Conservation Service's component of the water quality initiative to build on existing USDA efforts in this area. Technical assistance would be provided to plan and install water quality management practices delivered through SCS field offices with technical backup at the area, State, national technical centers, and national headquarters levels. To provide this level of technical assistance it will be necessary for SCS to increase emphasis on water quality training, obtain water quality and related research results, accelerate technology transfer, improve interagency cooperation, and increase on-site assistance for planning and installation of appropriate management practices. Specifically, program components of the fiscal year 1991 budget initiative will strengthen on-going SCS water quality activities as follows:

- o An additional \$2.6 million is requested for technology development and database development and management to provide field offices with methodologies and techniques for including water quality in ongoing conservation planning and application activities; for refinement of practice standards and specifications based on water quality research results; the development of soils interpretations; the development and implementation of Geographic Information System (GIS) technology and computer simulation models to ensure that USDA assistance is targeted to the most critical areas; the training of field office staff necessary to service the expanded program; and monitoring and evaluation activities, including the analysis of results and refinement of technical procedures. The FY 1991 budget request will also provide resources for model, software, and database development necessary for automating planning, evaluation, design, and implementation procedures for water quality technical

assistance. Contracts and agreements will be used where appropriate for items such as customized computer software programs for automating water quality components of the SCS technical guides, development of hydrologic engineering functions, collection of water samples and accompanying laboratory analysis, comprehensive water quality training for SCS personnel who will be involved in water quality efforts, and for the study of the physical behavior of water in soils and the effects of agricultural chemicals, nutrients and animal wastes therein.

- o An additional \$1.2 million will be allocated for regional projects to accelerate ongoing water quality technical assistance in nationally identified multi-State areas with critical water quality concerns. These areas include the Chesapeake Bay, Great Lakes, Tennessee River Valley, Gulf of Mexico, Puget Sound and other estuaries of national significance, designated sole source aquifers, and wellhead protection areas as warranted.
  - o An additional \$10.5 million will be available to accelerate water quality technical assistance in selected high priority nonpoint source hydrologic units. Hydrologic units, generally defined on drainage areas and/or on a watershed basis, will be selected from those identified by State's Section 319 plans based on problem severity and impact, the extent to which agriculture is contributing to the problem, and the degree of State and local support for implementing a program to address the problem. The budget request will fund an additional 37 hydrologic units in 1991, bringing to 74 the total number of units supported. Areas that are not addressed by regional program priorities but have identified priority agricultural nonpoint source problems related to pesticides and nutrients will be the primary recipients of these funds.
  - o An additional \$3.3 million is requested to support full implementation of the 8 demonstration projects initiated in 1990 and will permit planning and some implementation on eight additional demonstration projects consistent with the overall USDA water quality initiative. SCS participation in this initiative will be to provide joint leadership with the Extension Service in demonstrating the proper use of agricultural chemicals as they effect surface and ground water. The projects will build upon the results of preceding efforts to demonstrate the impacts of innovative agricultural production systems on farm businesses, crop yield and environmental quality on a multicounty or regional basis. SCS will also collaborate with the ARS, ASCS, CSRS, ERS and ES as well as other federal agencies including EPA, USGS and NOAA in the development and implementation of a coordinated operational plan that includes education, technical assistance, economic evaluation and appropriate financial incentives.
- (b) An increase of \$3,209,000 in technical assistance for existing conservation program operations and for continued implementation of the Food Security Act. (\$369,949,000 available for these activities in 1990).

Need for Change. These funds are needed in order to continue program operations at the current program level. The additional funds will be used for increased non-salary support costs financed under this program to ensure continued program performance that will provide the technical assistance needed to support ongoing conservation programs and meet the provisions of the Food Security Act of 1985.

Nature of Change. The additional \$3,432,000 will provide for technical assistance to implement conservation plans on about 590,000 acres. This assistance will be provided to farmers and ranchers so that they could meet the conservation requirements of 1985 Food Security Act and be eligible to receive benefits from Federal farm programs after December 1994.



(c) An increase of \$7,050,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

(2) An increase in appropriation (and in available funds) of \$1,737,000 for soil surveys consisting of:

(a) An increase of \$589,000 for soil survey technical assistance (\$68,075,000 available in 1990.)

Need for Change. These funds are needed in order to continue program operations at the current program level. The additional funds will be used for increased non-salary support costs financed under this program to ensure continued program performance that will provide soils information needed to support ongoing conservation programs.

Nature of Change. The additional \$589,000 will provide for soils mapping on about 350,000 acres. Soils interpretation will resume for private sector, other Federal, State and local entity decision makers who received a diminished level of technical assistance during the acceleration of mapping on Food Security Act impacted land. Digitizing soils information will continue to be a high priority, and soil survey research to support global change research will be expanded using available funds.

(b) An increase of \$1,148,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

(3) An increase in appropriation (and in available funds) of \$116,000 for snow survey and water forecasting consisting of:

(a) An increase of \$47,000 for snow survey and water forecasting (\$5,447,000 available in 1990.)

Need for Change. These funds are needed in order to continue program operations at the current program level. The additional funds will be used for increased non-salary support costs financed under this program to ensure continued program performance that will provide reliable and timely snow survey and water forecasting information needed for other SCS programs and for water use planning by farmers, ranchers, and others.

Nature of Change. The additional \$47,000 will provide for continuation of snow survey and water forecasting data collection and analysis of snowpack and other meteorological data for water supply forecasts in 11 Western States and Alaska, and the SNOTEL system equipment replacement and upgrade that is underway. The SNOTEL replacement and upgrade will result in improved reliability and timeliness of information and effective integration of the data into Soil Conservation Service technical assistance activities.

(b) An increase of \$69,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

(4) An increase in appropriation (and in available funds) of \$154,000 for operation of plant materials centers consisting of:

(a) An increase of \$73,000 for operation of plant materials centers (\$7,161,000 available in 1990.)

Need for Change. These funds are needed in order to continue program operations at the current program level. The additional funds will be used for increased non-salary support costs financed under this program to ensure continued program performance that will provide plant materials needed to support ongoing conservation programs in a timely manner.

Nature of Change. The additional \$73,000 will provide for continued operation of plant materials centers in order to find, develop and release permanent low cost vegetative solutions to conservation problems. The plant materials releases continue to be essential for the Soil Conservation Service to help land owners and users establish and maintain ground cover on Conservation Reserve Program lands and meet the conservation requirements of the Food Security Act of 1985.

- (b) An increase of \$81,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.



Soil Conservation Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989 AND estimated 1990 and 1991  
 CONSERVATION OPERATIONS

|                 | 1989        |                | 1990        |                | 1991        |                |
|-----------------|-------------|----------------|-------------|----------------|-------------|----------------|
|                 | Amount      | Staff<br>Years | Amount      | Staff<br>Years | Amount      | Staff<br>Years |
| ALABAMA         | \$8,494,839 | 184            | \$9,062,099 | 193            | \$9,633,034 | 197            |
| ALASKA          | 1,677,475   | 33             | 1,825,774   | 35             | 1,940,802   | 35             |
| ARIZONA         | 4,471,398   | 102            | 4,675,361   | 105            | 4,969,921   | 107            |
| ARKANSAS        | 8,335,988   | 202            | 8,342,938   | 199            | 8,868,564   | 203            |
| CALIFORNIA      | 12,168,931  | 278            | 12,632,481  | 285            | 13,428,359  | 291            |
| COLORADO        | 10,978,753  | 268            | 10,888,996  | 262            | 11,575,030  | 268            |
| CONNECTICUT     | 1,411,004   | 30             | 1,472,932   | 30             | 1,565,730   | 31             |
| DELAWARE        | 821,623     | 22             | 989,408     | 25             | 1,051,743   | 26             |
| FLORIDA         | 6,560,145   | 144            | 6,944,536   | 151            | 7,382,060   | 154            |
| GEORGIA         | 9,593,347   | 222            | 10,146,966  | 232            | 10,786,250  | 237            |
| HAWAII          | 2,438,812   | 45             | 2,311,238   | 43             | 2,456,852   | 44             |
| IDAHO           | 7,937,366   | 173            | 8,107,914   | 174            | 8,618,734   | 177            |
| ILLINOIS        | 12,802,147  | 303            | 13,072,717  | 305            | 13,896,331  | 311            |
| INDIANA         | 9,877,645   | 245            | 10,575,052  | 259            | 11,241,307  | 264            |
| IOWA            | 18,368,010  | 463            | 17,234,946  | 429            | 18,320,791  | 438            |
| KANSAS          | 16,614,895  | 450            | 15,092,982  | 404            | 16,043,879  | 412            |
| KENTUCKY        | 10,679,634  | 284            | 11,414,481  | 300            | 12,133,623  | 306            |
| LOUISIANA       | 6,471,452   | 160            | 7,223,155   | 176            | 7,678,232   | 179            |
| MAINE           | 2,591,704   | 58             | 2,549,325   | 56             | 2,709,939   | 58             |
| MARYLAND        | 4,636,656   | 99             | 4,445,544   | 93             | 4,725,625   | 95             |
| MASSACHUSETTS   | 1,796,493   | 41             | 1,909,390   | 44             | 2,029,687   | 45             |
| MICHIGAN        | 8,321,041   | 171            | 8,619,515   | 174            | 9,162,566   | 177            |
| MINNESOTA       | 11,022,990  | 243            | 11,242,144  | 244            | 11,950,428  | 248            |
| MISSISSIPPI     | 9,101,207   | 221            | 9,566,349   | 229            | 10,169,053  | 233            |
| MISSOURI        | 15,467,006  | 411            | 15,311,467  | 401            | 16,276,128  | 409            |
| MONTANA         | 15,337,263  | 392            | 12,218,279  | 308            | 12,988,062  | 314            |
| NEBRASKA        | 12,850,697  | 361            | 13,011,255  | 361            | 13,830,997  | 368            |
| NEVADA          | 2,927,447   | 65             | 2,935,144   | 64             | 3,120,065   | 65             |
| NEW HAMPSHIRE   | 1,565,372   | 35             | 1,650,782   | 36             | 1,754,786   | 36             |
| NEW JERSEY      | 2,277,724   | 41             | 2,443,247   | 44             | 2,597,178   | 45             |
| NEW MEXICO      | 6,925,386   | 155            | 6,567,293   | 145            | 6,981,049   | 148            |
| NEW YORK        | 7,798,674   | 191            | 7,815,921   | 188            | 8,308,344   | 192            |
| NORTH CAROLINA  | 9,161,303   | 211            | 9,509,379   | 216            | 10,108,494  | 221            |
| NORTH DAKOTA    | 11,437,644  | 262            | 10,843,461  | 244            | 11,526,627  | 248            |
| OHIO            | 9,127,569   | 212            | 9,572,066   | 219            | 10,175,130  | 224            |
| OKLAHOMA        | 10,347,498  | 254            | 10,839,582  | 262            | 11,522,503  | 268            |
| OREGON          | 6,764,428   | 145            | 7,487,302   | 159            | 7,959,021   | 162            |
| PENNSYLVANIA    | 7,417,847   | 174            | 7,672,885   | 177            | 8,156,297   | 180            |
| PUERTO RICO     | 2,279,427   | 55             | 2,510,528   | 60             | 2,668,698   | 61             |
| RHODE ISLAND    | 562,501     | 9              | 574,798     | 9              | 611,011     | 10             |
| SOUTH CAROLINA  | 5,216,010   | 127            | 5,408,509   | 130            | 5,749,259   | 132            |
| SOUTH DAKOTA    | 7,227,496   | 179            | 7,616,937   | 186            | 8,096,823   | 190            |
| TENNESSEE       | 9,225,510   | 207            | 9,809,846   | 217            | 10,427,892  | 222            |
| TEXAS           | 29,736,916  | 717            | 29,883,660  | 711            | 31,766,406  | 726            |
| UTAH            | 4,987,750   | 113            | 5,124,173   | 114            | 5,447,009   | 116            |
| VERMONT         | 1,817,459   | 42             | 1,856,300   | 43             | 1,973,252   | 44             |
| VIRGINIA        | 7,609,636   | 177            | 7,947,012   | 182            | 8,447,694   | 185            |
| WASHINGTON      | 8,039,372   | 190            | 8,710,686   | 202            | 9,259,482   | 206            |
| WEST VIRGINIA   | 4,446,506   | 106            | 4,624,722   | 108            | 4,916,091   | 110            |
| WISCONSIN       | 9,795,102   | 251            | 9,635,161   | 243            | 10,242,201  | 248            |
| WYOMING         | 4,869,906   | 107            | 5,043,212   | 109            | 5,360,947   | 111            |
| CHESTER NTC     | 1,768,898   | 31             | 2,030,169   | 35             | 2,158,075   | 35             |
| FORT WORTH NTC  | 11,911,099  | 197            | 13,449,143  | 220            | 14,296,473  | 225            |
| LINCOLN NTC     | 8,879,611   | 147            | 9,765,180   | 160            | 10,380,411  | 163            |
| PORTLAND NTC    | 4,887,244   | 60             | 5,425,355   | 66             | 5,767,166   | 67             |
| PACIFIC BASIN   | 676,204     | 13             | 903,545     | 17             | 960,471     | 17             |
| NATIONAL HDQTRS | 34,567,803  | 353            | 38,568,151  | 353            | 40,825,418  | 353            |

Total, Available  
 or estimate \$465,083,863 10,431 \$477,111,393 10,436 \$506,998,000 10,637

## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

River Basin Surveys and Investigations

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), [~~\$12,292,000~~] \$10,351,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$60,000 shall be available for employment under 5 U.S.C. 3109.

River Basin Surveys and Investigations

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$12,292,000      |
| Budget Estimate, 1991.....     | 10,351,000        |
| Decrease in Appropriation..... | <u>-1,941,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

| Item of Change                                              | 1990<br>Estimated   | Pay Cost          | Program<br>Changes  | 1991<br>Estimated   |
|-------------------------------------------------------------|---------------------|-------------------|---------------------|---------------------|
| River Basin Surveys:                                        |                     |                   |                     |                     |
| 1. USDA cooperative studies.....                            | \$8,306,000         | +\$120,000        | -\$1,432,000        | \$6,994,000         |
| 2. Flood plain management<br>assistance.....                | 2,512,000           | +29,000           | -425,000            | 2,116,000           |
| 3. Interagency coordination<br>and program formulation..... | 1,474,000           | +22,000           | -255,000            | 1,241,000           |
| TOTAL AVAILABLE.....                                        | <u>\$12,292,000</u> | <u>+\$171,000</u> | <u>-\$2,112,000</u> | <u>\$10,351,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)

| Project                                     | 1989<br>Amount      | Staff:<br>Years | 1990 estimated<br>Amount | Staff:<br>Years | Decrease            | 1991 estimated<br>Amount | Staff:<br>Years |
|---------------------------------------------|---------------------|-----------------|--------------------------|-----------------|---------------------|--------------------------|-----------------|
| River Basin Surveys:                        |                     |                 |                          |                 |                     |                          |                 |
| 1. USDA cooperative<br>studies.....         | \$8,143,000         | 157             | \$8,306,000              | 155             | -\$1,312,000        | \$6,994,000              | 127             |
| 2. Flood plain mgmt.<br>assistance.....     | 2,463,000           | 38              | 2,512,000                | 38              | -396,000            | 2,116,000                | 31              |
| 3. Interagency coord<br>and program form... | 1,445,000           | 29              | 1,474,000                | 28              | -233,000            | 1,241,000                | 23              |
| Total available or est                      | <u>\$12,051,000</u> | <u>224</u>      | <u>\$12,292,000</u>      | <u>221</u>      | <u>-\$1,941,000</u> | <u>\$10,351,000</u>      | <u>181</u>      |

PROJECT STATEMENT  
(On basis of available funds)

| Project                                      | 1989<br>Amount      | Staff:<br>Years | 1990 estimated<br>Amount | Staff:<br>Years | Increase or<br>Decrease | 1991 estimated<br>Amount | Staff:<br>Years |
|----------------------------------------------|---------------------|-----------------|--------------------------|-----------------|-------------------------|--------------------------|-----------------|
| River Basin Surveys:                         |                     |                 |                          |                 |                         |                          |                 |
| 1. USDA cooperative<br>studies.....          | \$8,092,636         | 157             | \$8,306,000              | 155             | -\$1,312,000            | \$6,994,000              | 127             |
| 2. Flood plain mgmt.<br>assistance.....      | 2,447,701           | 38              | 2,512,000                | 38              | -396,000                | 2,116,000                | 31              |
| 3. Interagency coord.<br>and program form... | 1,436,194           | 29              | 1,474,000                | 28              | -233,000                | 1,241,000                | 23              |
| Total direct oblig....                       | <u>11,976,531</u>   | <u>224</u>      | <u>12,292,000</u>        | <u>221</u>      | <u>-1,941,000</u>       | <u>10,351,000</u>        | <u>181</u>      |
| Unobligated balance<br>lapsing.....          | (+74,469)           | (--)            | (--)                     | (--)            | (--)                    | (--)                     | (--)            |
| Total available or est                       | <u>(12,051,000)</u> | <u>(224)</u>    | <u>(12,292,000)</u>      | <u>(221)</u>    | <u>(-1,941,000)</u>     | <u>(10,351,000)</u>      | <u>(181)</u>    |
| Reimbursable oblig....                       | 773,724             | 23              | 998,000                  | 30              | +2,000                  | 1,000,000                | 30              |
| Obligational authority                       | <u>\$12,750,255</u> | <u>247</u>      | <u>\$13,290,000</u>      | <u>251</u>      | <u>-\$1,939,000</u>     | <u>\$11,351,000</u>      | <u>211</u>      |

SOURCES OF REIMBURSEMENTS

| Project                        | 1989<br>Actual   | 1990<br>estimated | Increase or<br>Decrease | 1991<br>estimated  |
|--------------------------------|------------------|-------------------|-------------------------|--------------------|
| River Basin Surveys:           |                  |                   |                         |                    |
| USDA cooperative studies.....  | \$ 38,000        | \$167,000         | --                      | \$ 167,000         |
| Flood Insurance Studies.....   | 405,999          | 406,000           | -\$126,000              | 280,000            |
| Other Federal Sources.....     | 121,360          | 158,000           | +126,000                | 284,000            |
| Other Non-Federal Sources..... | 208,365          | 267,000           | +2,000                  | 269,000            |
| Total reimbursements.....      | <u>\$773,724</u> | <u>\$998,000</u>  | <u>+\$2,000</u>         | <u>\$1,000,000</u> |

OUTLAYS

| Project                                               | 1989 :<br>Actual | 1990 :<br>estimated | : Increase or :<br>Decrease | : 1991 :<br>estimated |
|-------------------------------------------------------|------------------|---------------------|-----------------------------|-----------------------|
| River Basin Surveys:                                  |                  |                     |                             |                       |
| 1. USDA Cooperative Studies...                        | \$8,578,362      | \$9,444,000         | -\$2,058,000                | \$7,386,000           |
| 2. Floodplain management assistance.....              | 2,078,397        | 2,288,000           | -499,000                    | 1,789,000             |
| 3. Interagency coordination and program formulation.. | 1,501,220        | 1,654,000           | -361,000                    | 1,293,000             |
| Total Outlays.....                                    | \$12,157,979     | \$13,386,000        | -\$2,918,000                | \$10,468,000          |

EXPLANATION OF PROGRAM

The appropriation "River Basin Surveys and Investigations," funds three activities as authorized by Public Law 83-566, as amended. The Department cooperates with other Federal and State agencies in making surveys and investigations of watersheds of rivers and other waterways. Activities include:

1) USDA Cooperatives Studies:

The Department participates in:

- Studies of agricultural and other rural land and water resources within river basins to gather basic data on existing and potential water supplies, present and future land use, current and potential economic development, and existing erosion and sediment problems.
- Studies and investigations are made of agricultural, rural, and upstream water and land resources and problems to determine corrective actions needed and potentials for conservation, use, and development. Evaluations include:
  - Erosion and sediment damage to rural lands and properties,
  - Upstream floodwater damage to rural lands and properties,
  - Maintaining existing drainage of agricultural lands,
  - Agricultural drought problems and potential for water conservation,
  - Agricultural water needs for livestock and domestic use,
  - Forest-based industries,
  - Municipal and industrial water needs.

The planning activity gives consideration to finding alternative combinations of land treatment, structural and nonstructural measures to solve the area's problems, meet the identified needs, and develop the indicated potentials.

2) Floodplain management assistance:

- Is carried out in cooperation with State and local governments,
- Identifies flood hazards on selected floodplain reaches,
- Provides reports which include flood profiles and maps showing areas subject to flooding by select frequency floods,
- Provides information needed by State and local governments to implement land use and floodplain management programs.



3) Interagency Coordination and Program Formulation:

- Provides national policy and program leadership direction to studies of river basins, floodplain management, and Colorado River Salinity activities;
- Provides USDA participation in water policy and program coordination at the National level.
- Provides USDA membership and participation in the activities of three Federal-State Interagency Committees (SEBIAC, PSIAC, AWRBIAC), the Susquehanna and Delaware River Basin Commissions, and other regional entities involved in water and related resource planning and coordination.
- Provides reviews of proposed reports and water projects of other Departments and agencies.

The following tabulation shows the number of surveys and obligations by type of survey for fiscal years 1989, 1990, and 1991.

|                                                                  | 1989     | 1990     | 1991     |
|------------------------------------------------------------------|----------|----------|----------|
| 1. Surveys in cooperation with State and other Federal agencies: |          |          |          |
| a. Surveys in progress, start of year.....                       | 74       | 75       | 77       |
| b. Surveys initiated during year.....                            | 16       | 15       | --       |
| c. Surveys worked during year...                                 | 90       | 90       | 77       |
| d. Surveys completed during year                                 | 15       | 13       | 12       |
| e. Surveys in progress, end of year.....                         | 75       | 77       | 65       |
| Cumulative total surveys initiated.....                          | 361      | 376      | 376      |
| Cumulative total surveys completed.....                          | 288      | 301      | 313      |
| Total Cost Cooperative Surveys (000's).....                      | \$8,093  | \$8,306  | \$6,994  |
| 2. Floodplain management assistance program:                     |          |          |          |
| (a) States participating in Flood Plain Mgmt. Studies..          | 30       | 32       | 23       |
| 1. Ongoing Studies (SOY).....                                    | 74       | 79       | 81       |
| 2. New Studies.....                                              | 19       | 15       | -        |
| 3. Completed Studies.....                                        | 14       | 13       | 13       |
| 4. Ongoing Studies (SOY).....                                    | 79       | 81       | 68       |
| 5. Cumulative total completed..                                  | 478      | 491      | 504      |
| Total Cost Flood Plain Management Studies (000's).....           | \$2,448  | \$2,512  | \$2,116  |
| (b) Reimbursable Flood Insurance Studies (non-add) (000's)...    | (\$406)  | (\$406)  | (\$280)  |
| 1. Ongoing Studies (SOY).....                                    | 12       | 8        | 2        |
| 2. New Studies.....                                              | 8        | -        | -        |
| 3. Completed Studies.....                                        | 12       | 6        | 2        |
| 4. Ongoing Studies (EOY).....                                    | 8        | 2        | -        |
| 5. Cumulative Total completed...                                 | 501      | 507      | 509      |
| 3. Interagency coordination and program formulation (000's)..... | \$1,436  | \$1,474  | \$1,241  |
| Total direct obligations (000's)...                              | \$11,977 | \$12,292 | \$10,351 |



JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net decrease in appropriation (and in available funds) of \$1,941,000 for the River Basin Surveys and Investigations program (\$12,292,000 available in 1990) consisting of:

- (a) A program decrease of \$2,112,000 for the River Basin Surveys and Investigations program.

Need for Change. The proposed reduction reflects the continuing program emphasis on reducing the size and scope of River Basin studies, and on directing work to high priority resource concerns in areas where there is a high level of local participation and commitment to implementing study recommendations with other than federal program funds.

Nature of Change. Work on ongoing USDA cooperative studies, floodplain management studies and interagency coordination and program formulation would continue at about eighty five percent of the current level. No new studies would be initiated. Emphasis will be placed on continuing studies underway that address highest priority resource problems and where non-federal sponsors have made the financial commitment to implement plans resulting from program studies. Efforts will continue to reduce the size and scope of cooperative studies. No new reimbursable flood insurance studies would be initiated and work on existing studies would be slowed.

- (b) An increase of \$171,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

Soil Conservation Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
 1989 and estimated 1990 and 1991  
 RIVER BASIN SURVEYS AND INVESTIGATIONS

|                | 1989      |                | 1990      |                | 1991      |                |
|----------------|-----------|----------------|-----------|----------------|-----------|----------------|
|                | Amount    | Staff<br>Years | Amount    | Staff<br>Years | Amount    | Staff<br>Years |
| ALABAMA        | \$167,436 | 4              | \$205,065 | 4              | \$172,728 | 3              |
| ALASKA         | 248,797   | 5              | 207,137   | 4              | 174,473   | 3              |
| ARIZONA        | 204,001   | 4              | 186,423   | 4              | 157,025   | 3              |
| ARKANSAS       | 256,774   | 5              | 269,277   | 5              | 226,815   | 4              |
| CALIFORNIA     | 514,298   | 10             | 483,664   | 8              | 407,394   | 7              |
| COLORADO       | 119,372   | 3              | 176,066   | 4              | 148,302   | 3              |
| CONNECTICUT    | 100,501   | 2              | 144,996   | 3              | 122,131   | 3              |
| DELAWARE       | 104,539   | 2              | 93,211    | 2              | 78,513    | 2              |
| FLORIDA        | 198,998   | 4              | 207,137   | 4              | 174,473   | 3              |
| GEORGIA        | 200,877   | 4              | 227,850   | 4              | 191,920   | 3              |
| HAWAII         | 98,967    | 2              | 47,641    | 1              | 40,129    | 1              |
| IDAHO          | 210,799   | 4              | 207,137   | 3              | 174,473   | 3              |
| ILLINOIS       | 272,897   | 5              | 258,921   | 4              | 218,091   | 3              |
| INDIANA        | 308,315   | 6              | 289,991   | 5              | 244,262   | 4              |
| IOWA           | 298,462   | 6              | 310,705   | 6              | 261,709   | 5              |
| KANSAS         | 228,798   | 4              | 238,207   | 4              | 200,644   | 3              |
| KENTUCKY       | 188,105   | 4              | 207,137   | 4              | 174,473   | 3              |
| LOUISIANA      | 179,059   | 4              | 186,423   | 4              | 157,025   | 3              |
| MAINE          | 79,810    | 2              | 72,498    | 2              | 61,065    | 1              |
| MARYLAND       | 85,600    | 2              | 82,855    | 2              | 69,789    | 1              |
| MASSACHUSETTS  | 95,753    | 2              | 143,442   | 3              | 120,822   | 3              |
| MICHIGAN       | 218,297   | 4              | 207,137   | 3              | 174,473   | 3              |
| MINNESOTA      | 288,597   | 6              | 310,705   | 6              | 261,709   | 4              |
| MISSISSIPPI    | 288,601   | 6              | 289,991   | 5              | 244,262   | 4              |
| MISSOURI       | 368,200   | 8              | 419,451   | 9              | 353,307   | 7              |
| MONTANA        | 229,798   | 4              | 148,103   | 3              | 124,748   | 3              |
| NEBRASKA       | 318,399   | 6              | 333,490   | 6              | 280,901   | 4              |
| NEVADA         | 49,795    | 1              | 51,784    | 1              | 43,618    | 1              |
| NEW HAMPSHIRE  | 176,776   | 4              | 103,568   | 2              | 87,236    | 2              |
| NEW JERSEY     | 59,519    | 1              | 103,568   | 2              | 87,236    | 2              |
| NEW MEXICO     | 114,393   | 2              | 113,925   | 2              | 95,960    | 2              |
| NEW YORK       | 186,013   | 4              | 186,423   | 3              | 157,025   | 3              |
| NORTH CAROLINA | 238,799   | 5              | 318,990   | 7              | 268,688   | 5              |
| NORTH DAKOTA   | 199,002   | 4              | 217,493   | 4              | 183,196   | 3              |
| OHIO           | 284,419   | 5              | 310,705   | 6              | 261,709   | 4              |
| OKLAHOMA       | 109,399   | 2              | 134,639   | 3              | 113,407   | 2              |
| OREGON         | 73,531    | 2              | 0         | 0              | 0         | 0              |
| PENNSYLVANIA   | 109,354   | 2              | 134,639   | 3              | 113,407   | 2              |
| RHODE ISLAND   | 38,300    | 1              | 51,784    | 1              | 43,618    | 1              |
| SOUTH CAROLINA | 209,000   | 4              | 227,850   | 4              | 191,920   | 3              |
| SOUTH DAKOTA   | 49,782    | 1              | 60,070    | 1              | 50,597    | 1              |
| TENNESSEE      | 218,902   | 4              | 238,207   | 5              | 200,644   | 4              |
| TEXAS          | 278,575   | 4              | 331,418   | 6              | 279,156   | 5              |
| UTAH           | 148,826   | 3              | 144,996   | 2              | 122,131   | 3              |
| VERMONT        | 151,147   | 3              | 155,352   | 3              | 130,855   | 3              |
| VIRGINIA       | 144,276   | 3              | 88,033    | 2              | 74,151    | 2              |
| WASHINGTON     | 240,781   | 4              | 258,921   | 4              | 218,091   | 3              |
| WEST VIRGINIA  | 253,846   | 5              | 258,921   | 5              | 218,091   | 4              |
| WISCONSIN      | 119,400   | 3              | 144,996   | 3              | 122,131   | 3              |
| WYOMING        | 174,101   | 4              | 180,209   | 4              | 151,791   | 3              |
| CHESTER NTC    | 69,598    | 1              | 72,498    | 1              | 61,065    | 1              |
| FORT WORTH NTC | 297,564   | 6              | 310,705   | 6              | 261,709   | 5              |
| LINCOLN NTC    | 124,398   | 3              | 144,996   | 3              | 122,131   | 3              |
| PORTLAND NTC   | 68,560    | 1              | 93,211    | 2              | 78,513    | 2              |
| PACIFIC BASIN  | 0         | 0              | 90,104    | 2              | 75,896    | 2              |
| NATIONL HDQTRS | 1,087,166 | 11             | 957,335   | 10             | 806,372   | 8              |
| FS ALLOCATION  | 827,259   | 13             | 852,000   | 12             | 715,000   | 10             |

Total available or  
 Estimate

|              |     |              |     |              |     |
|--------------|-----|--------------|-----|--------------|-----|
| \$11,976,531 | 224 | \$12,292,000 | 221 | \$10,351,000 | 181 |
|--------------|-----|--------------|-----|--------------|-----|

## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Watershed Planning

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), [~~\$8,824,000~~] \$6,875,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.

Watershed Planning

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$8,824,000       |
| Budget Estimate, 1991.....     | 6,875,000         |
| Decrease in Appropriation..... | <u>-1,949,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

| Item of Change          | 1990<br>Estimated | Pay<br>Cost | Program<br>Changes | 1991<br>Estimated |
|-------------------------|-------------------|-------------|--------------------|-------------------|
| Watershed Planning..... | \$8,824,000       | +\$113,000  | -\$2,062,000       | \$6,875,000       |

PROJECT STATEMENT  
(On basis of appropriation)

| Project                | 1989:<br>Amount | : Staff:<br>Years: | 1990 estimated:<br>Amount | : Staff:<br>Years: | 1991 estimated:<br>Amount | : Staff:<br>Years: |
|------------------------|-----------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|
| Watershed Planning.... | \$8,651,000     | :168               | \$8,824,000               | :167               | -\$1,949,000              | \$6,875,000 :126   |

PROJECT STATEMENT  
(On basis of available funds)

| Project                                                     | 1989<br>Amount | : Staff:<br>Years: | 1990 estimated:<br>Amount | : Staff:<br>Years: | Increase<br>or<br>Decrease | 1991 estimated<br>Amount | : Staff:<br>Years: |
|-------------------------------------------------------------|----------------|--------------------|---------------------------|--------------------|----------------------------|--------------------------|--------------------|
| Direct Obligations:                                         |                | :                  |                           | :                  |                            |                          | :                  |
| Watershed Planning:                                         |                | :                  |                           | :                  |                            |                          | :                  |
| 1. Small watershed<br>planning authorized<br>by PL-566..... | \$8,591,230    | :168               | \$8,824,000               | :167               | -\$1,949,000               | \$6,875,000              | :126               |
| Unobligated balance<br>lapsing.....                         | (+59,770)      | --                 | --                        | --                 | --                         | --                       | --                 |
| Total available or est                                      | (8,651,000)    | :(168)             | (8,824,000)               | :(167)             | (-1,949,000)               | (6,875,000)              | :(126)             |
| Reimbursable oblig....                                      | 195,227        | :4                 | 297,000                   | :6                 | +3,000                     | 300,000                  | :6                 |
| Obligational authority                                      | \$8,786,457    | :172               | \$9,121,000               | :173               | -\$1,946,000               | \$7,175,000              | :132               |

SOURCES OF REIMBURSEMENTS

|                            | 1989<br>Actual | : 1990<br>Estimated | : Increase | : 1991<br>Estimated |
|----------------------------|----------------|---------------------|------------|---------------------|
| Within USDA.....           | --             | --                  | --         | --                  |
| Other Federal Sources..... | \$42,077       | \$64,000            | --         | \$64,000            |
| Non-federal Sources.....   | 153,150        | 233,000             | +3,000     | 236,000             |
| Total reimbursements.....  | \$195,227      | \$297,000           | \$+3,000   | \$300,000           |

OUTLAYS

|                                                       |             |             |              |             |
|-------------------------------------------------------|-------------|-------------|--------------|-------------|
| Small watershed planning<br>authorized by PL-566..... | \$8,411,010 | \$9,143,000 | -\$1,996,000 | \$7,147,000 |
|-------------------------------------------------------|-------------|-------------|--------------|-------------|

EXPLANATION OF PROGRAM

The appropriation "Watershed Planning," funds activities authorized by the Watershed Protection and Flood Prevention Act (Public Law 83-566), as amended, which relate to planning of individual watershed projects.

The Department makes surveys of proposed small watershed projects and prepares plans in cooperation with local sponsors. The planning activities consist of:

- Cooperation between the Federal Government and State governments and their political subdivisions in assisting local sponsoring organizations develop plans for proposed watershed projects,
- Conducting surveys and investigations to determine the land and water resource problems and opportunities within the watershed,
- Studying alternatives to provide the best combination of land treatment, nonstructural, and structural measures for the protection, conservation, development, management, and utilization of land, water, and related resources,
- Compiling information that is the basis for mutual agreement by the Department, local organizations, and the public concerning the possible alternative solutions which will best meet environmental, social, and economic goals,
- Making environmental assessments concurrently with other planning efforts for every proposed watershed project, and
- Preparing environmental impact statements when applicable and making them available to the public.

The watershed plans:

- Identify the soil and water management problems in the watershed.
- List the steps that have been or are authorized to be taken to alleviate these problems.
- Outline the proposed works of improvement to be installed.
- Itemize the estimated benefits and costs.
- Set out the cost-sharing and operation and maintenance arrangements.
- Present other facts necessary to justify Federal participation in project development.

The following table lists actual and projected progress for small watershed applications, planning, and operations.

| <u>Activity</u>                                | <u>1989<br/>Actual</u> | <u>1990<br/>Estimate</u> | <u>1991<br/>Estimate</u> |
|------------------------------------------------|------------------------|--------------------------|--------------------------|
| 1. <u>Application for planning assistance:</u> |                        |                          |                          |
| On hand, cumulative, start of year...          | 2,377                  | 2,375                    | 2,385                    |
| Net change during year.....                    | -2                     | 10                       | 20                       |
| On hand, cumulative, end of year....           | <u>2,375</u>           | <u>2,385</u>             | <u>2,405</u>             |
| Consisting of:                                 |                        |                          |                          |
| a. Authorized for planning.....                | 2,084                  | 2,114                    | 2,144                    |
| b. Available for planning.....                 | 291                    | 271                      | 261                      |



| <u>Activity</u>                                            | <u>1989<br/>Actual</u> | <u>1990<br/>Estimate</u> | <u>1991<br/>Estimate</u> |
|------------------------------------------------------------|------------------------|--------------------------|--------------------------|
| 2. Status of planning:                                     |                        |                          |                          |
| Authorized, cumulative, start of year                      | 2,066                  | 2,084                    | 2,114                    |
| LESS:                                                      |                        |                          |                          |
| Suspended or terminated, cumulative,<br>start of year..... | 487                    | 509                      | 515                      |
| Completed, cumulative, start of year.                      | <u>1,462</u>           | <u>1,481</u>             | <u>1,511</u>             |
| SUBTOTAL:                                                  |                        |                          |                          |
| Planning in process, start of year...                      | 117                    | 94                       | 88                       |
| PLUS:                                                      |                        |                          |                          |
| New authorizations during year.....                        | 18                     | 30                       | 25                       |
| LESS:                                                      |                        |                          |                          |
| Terminated during year.....                                | 22                     | 6                        | 6                        |
| Completions during year.....                               | <u>19</u>              | <u>30</u>                | <u>20</u>                |
| Planning in process, end of year.....                      | <u>94</u>              | <u>88</u>                | <u>87</u>                |
| 3. Status of projects in operations:                       |                        |                          |                          |
| Uncompleted projects start of year...                      | 765                    | 770                      | 780                      |
| Projects approved for operations.....                      | 19                     | 30                       | 20                       |
| New construction starts.....                               | 1                      | 20                       | 10                       |

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net decrease in appropriation (and available funds) of \$1,949,000 for Small Watershed Planning authorized by PL-566 consisting of:

- (a) A program decrease of \$2,062,000 for watershed planning activities.

Need for Change. The proposed reduction reflects the need to achieve a more efficient balance between watershed project planning and construction, and to fund only those plans for projects that address high priority, national environmental concerns.

Nature of Change. Planning activities would continue at about 78 percent of the 1990 level. Federal funding for the program would provide for the orderly development of watershed plans, each of which must be cost effective and environmentally sensitive. These plans serve the public interest by formulating solutions to the country's most critical soil erosion problems, cropland and rural community flooding problems, and water conservation problems. In FY 1991, about 25 new planning projects would be initiated from about 261 viable applications available for new planning starts. Priority would be given to plans that address national environmental concerns and where local sponsors are willing and able to pay for the costs of measure installation following completion of the plan. Work on plans already in process would be slowed, and work on low priority plans would be discontinued. Plan completions in FY 1991 would be reduced to 20, or about two-thirds of the 1990 level.

- (b) An increase of \$113,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

SOIL CONSERVATION SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989 and Estimated 1990 and 1991  
WATERSHED PLANNING

|                                | 1989        |                | 1990        |                | 1991        |                |
|--------------------------------|-------------|----------------|-------------|----------------|-------------|----------------|
|                                | AMOUNT      | STAFF<br>YEARS | AMOUNT      | STAFF<br>YEARS | AMOUNT      | STAFF<br>YEARS |
| ALABAMA.....                   | \$208,309   | 5              | \$210,974   | 5              | \$161,372   | 3              |
| ALASKA.....                    | 0           | 0              | 0           | 0              | 0           | 0              |
| ARIZONA.....                   | 79,599      | 2              | 84,390      | 2              | 64,549      | 1              |
| ARKANSAS.....                  | 185,094     | 4              | 185,657     | 4              | 142,008     | 3              |
| CALIFORNIA.....                | 432,799     | 10             | 449,375     | 10             | 343,723     | 7              |
| COLORADO.....                  | 144,282     | 3              | 131,859     | 3              | 100,858     | 2              |
| CONNECTICUT....                | 14,499      | -              | 100,213     | 2              | 76,652      | 2              |
| DELAWARE.....                  | 74,598      | 2              | 79,115      | 2              | 60,515      | 1              |
| FLORIDA.....                   | 59,698      | 2              | 63,292      | 2              | 48,412      | 1              |
| GEORGIA.....                   | 89,592      | 2              | 94,938      | 2              | 72,618      | 2              |
| HAWAII.....                    | 159,202     | 3              | 200,426     | 4              | 153,304     | 3              |
| IDAHO.....                     | 38,782      | 1              | 41,140      | 1              | 31,468      | 1              |
| ILLINOIS.....                  | 98,318      | 3              | 105,487     | 3              | 80,686      | 2              |
| INDIANA.....                   | 135,242     | 2              | 126,585     | 2              | 96,823      | 2              |
| IOWA.....                      | 269,491     | 5              | 246,840     | 5              | 188,806     | 4              |
| KANSAS.....                    | 304,502     | 5              | 316,461     | 5              | 242,058     | 4              |
| KENTUCKY.....                  | 114,537     | 3              | 116,036     | 2              | 88,755      | 2              |
| LOUISIANA.....                 | 154,152     | 3              | 152,956     | 3              | 116,995     | 2              |
| MAINE.....                     | 103,041     | 2              | 126,585     | 2              | 96,823      | 2              |
| MARYLAND.....                  | 59,698      | 1              | 63,292      | 1              | 48,412      | 1              |
| MASSACHUSETTS..                | 29,951      | 1              | 0           | 0              | 0           | 0              |
| MICHIGAN.....                  | 77,573      | 2              | 81,225      | 2              | 62,128      | 1              |
| MINNESOTA.....                 | 161,200     | 3              | 170,889     | 3              | 130,712     | 3              |
| MISSISSIPPI....                | 117,398     | 3              | 126,585     | 3              | 96,823      | 2              |
| MISSOURI.....                  | 308,400     | 7              | 321,736     | 6              | 246,093     | 5              |
| MONTANA.....                   | 171,101     | 3              | 274,267     | 5              | 209,784     | 4              |
| NEBRASKA.....                  | 287,594     | 7              | 290,090     | 7              | 221,887     | 5              |
| NEVADA.....                    | 0           | 0              | 0           | 0              | 0           | 0              |
| NEW HAMPSHIRE..                | 199,300     | 4              | 7,384       | -              | 5,648       | -              |
| NEW JERSEY.....                | 78,999      | 2              | 84,390      | 2              | 64,549      | 1              |
| NEW MEXICO.....                | 19,760      | 1              | 26,372      | 1              | 20,172      | 1              |
| NEW YORK.....                  | 122,390     | 2              | 158,231     | 3              | 121,029     | 2              |
| NORTH CAROLINA.                | 259,200     | 5              | 226,797     | 4              | 173,475     | 3              |
| NORTH DAKOTA...                | 89,600      | 2              | 94,938      | 2              | 72,618      | 1              |
| OHIO.....                      | 189,049     | 4              | 205,700     | 4              | 157,338     | 3              |
| OKLAHOMA.....                  | 393,961     | 8              | 394,522     | 8              | 301,766     | 6              |
| OREGON.....                    | 59,563      | 2              | 179,328     | 4              | 137,166     | 3              |
| PENNSYLVANIA...                | 64,697      | 2              | 68,567      | 1              | 52,446      | 1              |
| RHODE ISLAND...                | 59,637      | 1              | 63,292      | 1              | 48,412      | 1              |
| SOUTH CAROLINA.                | 0           | 0              | 21,097      | -              | 16,137      | -              |
| SOUTH DAKOTA...                | 109,403     | 3              | 105,487     | 2              | 80,686      | 2              |
| TENNESSEE.....                 | 136,299     | 3              | 142,408     | 3              | 108,926     | 2              |
| TEXAS.....                     | 328,382     | 5              | 337,559     | 5              | 258,196     | 4              |
| UTAH.....                      | 49,445      | 1              | 52,744      | 1              | 40,343      | 1              |
| VERMONT.....                   | 36,203      | 1              | 63,292      | 1              | 48,412      | 1              |
| VIRGINIA.....                  | 75,189      | 2              | 89,664      | 2              | 68,583      | 1              |
| WASHINGTON.....                | 84,578      | 2              | 79,115      | 2              | 60,515      | 1              |
| WEST VIRGINIA...               | 213,873     | 4              | 195,151     | 4              | 149,269     | 3              |
| WISCONSIN.....                 | 0           | 0              | 42,195      | 1              | 32,274      | 1              |
| WYOMING.....                   | 39,801      | 1              | 68,567      | 1              | 52,446      | 1              |
| CHESTER NTC....                | 199,001     | 4              | 210,974     | 4              | 161,372     | 3              |
| FORT WORTH NTC.                | 318,104     | 6              | 337,559     | 6              | 258,196     | 4              |
| LINCOLN NTC....                | 248,793     | 3              | 305,913     | 6              | 233,990     | 4              |
| PORTLAND NTC...                | 609,914     | 9              | 312,242     | 5              | 238,831     | 4              |
| PACIFIC BASIN                  | 0           | 0              | 74,896      | 1              | 57,287      | 1              |
| NATIONL HDQTRS.                | 515,161     | 4              | 487,203     | 3              | 372,654     | 3              |
| FS ALLOCATION...               | 212,276     | 3              | 228,000     | 4              | 300,000     | 3              |
| TOTAL Available<br>or Estimate | \$8,591,230 | 168            | \$8,824,000 | 167            | \$6,875,000 | 126            |



## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Watershed and Flood Prevention Operations

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, [182,373,000] 151,112,000 (of which [26,271,000] 20,218,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed [20,000,000] 10,041,000 shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), and not to exceed 200,000 shall be available for employment under 5 U.S.C. 3109: [Provided further, That 4,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931):] Provided further, That not to exceed 1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

This change deletes language authorizing the Farmers Home Administration to provide Watershed and Flood Prevention Operations loans from the Agricultural Credit Insurance Fund in FY 1991.

Watershed and Flood Prevention Operations

|                                | Watersheds<br>Authorized<br>by PL-534 | Emergency<br>Watershed<br>Operations | Small<br>Watersheds<br>Authorized<br>by PL-566 | Total<br>Watersheds<br>and Flood<br>Prevention |
|--------------------------------|---------------------------------------|--------------------------------------|------------------------------------------------|------------------------------------------------|
| Appropriation Act, 1990.....   | \$26,271,000                          | \$20,000,000                         | \$136,102,000                                  | \$182,373,000                                  |
| Budget Estimate, 1991.....     | 20,218,000                            | 10,041,000                           | 120,853,000                                    | 151,112,000                                    |
| Decrease in Appropriation..... | <u>-6,053,000</u>                     | <u>-9,959,000</u>                    | <u>-15,249,000</u>                             | <u>-31,261,000</u>                             |

## Adjustments in 1990:

|                                                                    |                   |                   |                    |                    |
|--------------------------------------------------------------------|-------------------|-------------------|--------------------|--------------------|
| Appropriation Act, 1990.....                                       | \$26,271,000      | \$20,000,000      | \$136,102,000      | \$182,373,000      |
| Gramm-Rudman-Hollings Reduction<br>(P.L. 101-177).....             | -382,000          | -145,000          | -1,979,000         | -2,506,000         |
| Transfer from Corps of Engineers a/<br>Adjusted base for 1990..... | --                | --                | +1,000,000         | +1,000,000         |
| Budget estimate, 1991.....                                         | 25,889,000        | 19,855,000        | 135,123,000        | 180,867,000        |
| Decrease from adjusted 1990.....                                   | <u>-5,671,000</u> | <u>-9,814,000</u> | <u>-14,270,000</u> | <u>-29,755,000</u> |

a/ Pursuant to Public Law 101-101, the Energy and Water Development Appropriations Act, 1990, \$1,000,000 was transferred to the Soil Conservation Service from the Corps of Engineers for engineering and design of the Johns Creek project.

SUMMARY OF INCREASES AND DECREASES  
(on basis of adjusted appropriation)

| Item of Change                      | 1990<br>Estimated    | Pay Cost            | Program<br>Changes   | 1991<br>Estimated    |
|-------------------------------------|----------------------|---------------------|----------------------|----------------------|
| Watershed and Flood Prev. Oper:     |                      |                     |                      |                      |
| 1. Watershed oper. auth by PL-534.. | \$25,889,000         | +\$218,000          | -\$5,889,000         | \$20,218,000         |
| 2. Emergency watershed prot. oper.. | 19,855,000           | +41,000             | -9,855,000           | 10,041,000           |
| 3. Small watersheds auth. by PL-566 | 135,123,000          | +853,000            | -15,123,000          | 120,853,000          |
| TOTAL AVAILABLE.....                | <u>\$180,867,000</u> | <u>+\$1,112,000</u> | <u>-\$30,867,000</u> | <u>\$151,112,000</u> |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Project                                                                               | 1989<br>Amount | 1989<br>:Staff:<br>:Years: | 1990 estimated<br>Amount | 1990 estimated<br>:Staff:<br>:Years: | Decrease      | 1991 estimated<br>Amount | 1991 estimated<br>:Staff:<br>:Years: |
|---------------------------------------------------------------------------------------|----------------|----------------------------|--------------------------|--------------------------------------|---------------|--------------------------|--------------------------------------|
| 1. Watershed operations<br>authorized by PL-534:                                      |                |                            |                          |                                      |               |                          |                                      |
| (a) Planning.....                                                                     | \$912,000      | 21                         | \$682,000                | 15                                   | -\$19,000     | \$663,000                | 14                                   |
| (b) Technical<br>assistance.....                                                      | 12,500,000     | 302                        | 12,958,200               | 301                                  | -354,200      | 12,604,000               | 266                                  |
| (c) Financial<br>assistance for<br>construction:<br>Direct Federal<br>contracting.... | 10,230,000     | --                         | 9,742,000                | --                                   | -4,527,000    | 5,215,000                | --                                   |
| Payment for con-<br>tracting by<br>local sponsors.                                    | 2,549,000      | --                         | 2,428,000                | --                                   | -770,000      | 1,658,000                | --                                   |
| (d) Loan serv.(FmHA)                                                                  | 80,000         | 3                          | 78,800                   | 3                                    | -800          | 78,000                   | 3                                    |
| Subtotal, flood<br>prevention.....                                                    | 26,271,000     | 326                        | 25,889,000               | 319                                  | -5,671,000(1) | 20,218,000               | 283                                  |
| 2. Emergency Watershed<br>Protection Operation                                        | 10,000,000     | 120                        | 19,855,000               | 42                                   | -9,814,000(2) | 10,041,000               | 42                                   |



**PROJECT STATEMENT**  
(On basis of adjusted appropriation)

| Project                                    | 1989           |              | 1990 estimated |              | Decrease        | 1991 estimated |              |
|--------------------------------------------|----------------|--------------|----------------|--------------|-----------------|----------------|--------------|
|                                            | Amount         | Staff: Years | Amount         | Staff: Years |                 | Amount         | Staff: Years |
| 3. Small watersheds authorized by PL-566:  |                |              |                |              |                 |                |              |
| (a) Technical assistance.....              | 52,269,000:    | 1,117:       | 53,757,500:    | 1,120:       | -533,500        | 53,224,000:    | 1,004        |
| (b) Financial assistance for construction: |                |              |                |              |                 |                |              |
| Direct Federal contracting...              | 46,849,000:    | --:          | 45,772,000:    | --:          | -6,049,000      | 39,723,000:    | --           |
| Payment for contracting by local sponsors  | 36,809,000:    | --:          | 35,421,000:    | --:          | -7,687,000      | 27,734,000:    | --           |
| (c) Loan services..                        | 175,000:       | 5:           | 172,500:       | 6:           | -500            | 172,000:       | 5            |
| Subtotal, watershed operations.....        | 136,102,000:   | 1,122:       | 135,123,000:   | 1,126:       | -14,270,000(3): | 120,853,000:   | 1,009        |
| Total, avail. or est.                      | \$172,373,000: | 1,568:       | \$180,867,000: | 1,487:       | -\$29,755,000   | \$151,112,000: | 1,334        |
| G-R-H red., PL 101-177                     | --             | --:          | +2,506,000:    | --:          |                 |                |              |
| Transfer from COE...                       | --             | --:          | -1,000,000:    | --:          |                 |                |              |
| Total Appropriation..                      | \$172,373,000: | 1,568:       | \$182,373,000: | 1,487:       |                 |                |              |

**PROJECT STATEMENT**  
(On basis of available funds)

| Project                                       | 1989           |              | 1990 estimated |              | Increase or Decrease | 1991 estimated |              |
|-----------------------------------------------|----------------|--------------|----------------|--------------|----------------------|----------------|--------------|
|                                               | Amount         | Staff: Years | Amount         | Staff: Years |                      | Amount         | Staff: Years |
| 1. Watershed operations authorized by PL-534: |                |              |                |              |                      |                |              |
| (a) Planning.....                             | \$949,563:     | 21:          | \$691,524:     | 15:          | -\$28,524:           | \$663,000:     | 14           |
| (b) Technical assistance.....                 | 13,498,828:    | 302:         | 13,138,946:    | 301:         | -534,946:            | 12,604,000:    | 266          |
| (c) Financial assistance for construction:    |                |              |                |              |                      |                |              |
| Direct Federal contracting....                | 9,471,121:     | --:          | 13,551,654:    | --:          | -8,336,654:          | 5,215,000:     | --           |
| Payment for contracting by local sponsors.    | 3,011,635:     | --:          | 3,702,993:     | --:          | -2,044,993:          | 1,658,000:     | --           |
| (d) Loan services...                          | 80,000:        | 3:           | 78,800:        | 3:           | -800:                | 78,000:        | 3            |
| Subtotal, flood prevention.....               | 27,011,147:    | 326:         | 31,163,917:    | 319:         | -10,945,917:         | 20,218,000:    | 283          |
| 2. Emergency Watershed Protection Oper....    | 12,758,098:    | 120:         | 26,549,989:    | 42:          | -16,508,989:         | 10,041,000:    | 42           |
| 3. Small watersheds authorized by PL-566:     |                |              |                |              |                      |                |              |
| (a) Technical assistance.....                 | 56,810,821:    | 1,117:       | 53,947,964:    | 1,120:       | -723,964:            | 53,224,000:    | 1,004        |
| (b) Financial assistance for construction:    |                |              |                |              |                      |                |              |
| Direct Federal contracting...                 | 53,701,541:    | --:          | 54,617,091:    | --:          | -14,894,091:         | 39,723,000:    | --           |
| Payment for contracting by local sponsors     | 26,661,697:    | --:          | 37,554,127:    | --:          | -9,820,127:          | 27,734,000:    | --           |
| (c) Loan services..                           | 175,000:       | 5:           | 172,500:       | 6:           | -500:                | 172,000:       | 5            |
| Subtotal, watershed operations.....           | 137,349,059:   | 1,122:       | 146,291,682:   | 1,126:       | -25,438,682:         | 120,853,000:   | 1,009        |
| Total direct obligations.....                 | 177,118,304:   | 1,568:       | 204,005,588:   | 1,487:       | -52,893,588:         | 151,112,000:   | 1,334        |
| Unobligated balance brought forward.....      | (-27,883,892)  | --:          | (-23,138,588)  | --:          | +23,138,588:         | --             |              |
| Unobligated balance carried forward.....      | (+23,138,588)  | --:          | --             | --:          | --                   | --             | --           |
| Appropriation.....                            | \$172,373,000: | 1,568:       | \$180,867,000: | 1,487:       | (\$-29,755,000)      | \$151,112,000: | 1,334        |

REIMBURSABLE OBLIGATIONS

| Project                                                                   | 1989          |                  | 1990 estimated |                  | Increase<br>or<br>Decrease | 1991 estimated |                  |
|---------------------------------------------------------------------------|---------------|------------------|----------------|------------------|----------------------------|----------------|------------------|
|                                                                           | Amount        | Staff:<br>Years: | Amount         | Staff:<br>Years: |                            | Amount         | Staff:<br>Years: |
| Reimbursable obligations:                                                 |               |                  |                |                  |                            |                |                  |
| 1. Watershed operations authorized by PL-534:                             |               |                  |                |                  |                            |                |                  |
| (a) Planning.....                                                         | --            | --               | --             | --               | --                         | --             | --               |
| (b) Technical assistance.....                                             | \$253,117     | 3                | \$183,000      | 4                | +\$4,000                   | \$187,000      | 4                |
| (c) Financial assistance for construction: Direct Federal contracting.... | 1,049,912     | --               | 166,000        | --               | +1,000                     | 167,000        | --               |
| Subtotal, flood prevention.....                                           | 1,303,029     | 3                | 349,000        | 4                | +5,000                     | 354,000        | 4                |
| 2. Emergency Watershed Protection Operation.                              | 1,282,805     | --               | 2,269,000      | --               | +32,000                    | 2,301,000      | --               |
| 3. Small watersheds authorized by PL-566:                                 |               |                  |                |                  |                            |                |                  |
| (a) Technical assistance.....                                             | 417,085       | 9                | 1,286,000      | 9                | +18,000                    | 1,304,000      | 9                |
| (b) Financial assistance for construction: Direct Federal contracting.... | 2,568,997     | --               | 7,930,000      | --               | +111,000                   | 8,041,000      | --               |
| Payment for contracting by local sponsors.                                | 3,781         | --               | --             | --               | --                         | --             | --               |
| Subtotal, watershed operations.....                                       | 2,989,863     | 9                | 9,216,000      | 9                | +129,000                   | 9,345,000      | 9                |
| Total, reimbursable obligations.....                                      | 5,575,697     | 12               | 11,834,000     | 13               | +166,000                   | 12,000,000     | 13               |
| Obligational authority.....                                               | \$182,694,001 | 1,580            | \$215,839,588  | 1,500            | -\$52,727,588              | \$163,112,000  | 1,347            |

SOURCES OF REIMBURSEMENTS

|                             | 1989        |  | 1990         |            | 1991         |
|-----------------------------|-------------|--|--------------|------------|--------------|
|                             | Actual      |  | estimated    | Decrease   | estimated    |
| Within USDA.....            | \$63,727    |  | \$100,000    | --         | \$100,000    |
| Other Federal Agencies..... | 1,379,961   |  | 3,008,000    | --         | 3,008,000    |
| Non-Federal Sources.....    | 4,132,009   |  | 8,726,000    | +\$166,000 | 8,892,000    |
| Total reimbursements.....   | \$5,575,697 |  | \$11,834,000 | +\$166,000 | \$12,000,000 |

OUTLAYS

|                                                   | 1989          |  | 1990          |               | 1991          |
|---------------------------------------------------|---------------|--|---------------|---------------|---------------|
|                                                   | Actual        |  | estimated     | Decrease      | estimated     |
| 1. Watershed operations authorized by PL-534..... | \$24,316,142  |  | \$27,277,000  | -\$4,143,000  | \$23,134,000  |
| 2. Emergency Watershed Protection Operations..... | 24,317,944    |  | 27,279,000    | -4,144,000    | 23,135,000    |
| 3. Small watersheds authorized by PL-566.....     | 117,840,626   |  | 133,190,000   | -20,080,000   | 112,110,000   |
| Total Outlays.....                                | \$166,474,712 |  | \$187,746,000 | -\$28,367,000 | \$158,379,000 |

EXPLANATION OF PROGRAM

The appropriation "Watershed and Flood Prevention Operations" funds those activities authorized by the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1005, 1007-1009) and the Flood Control Act, as amended and supplemented (33 U.S.C. 701, 16 U.S.C. 1006a) and Sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), which relate to installation of individual watershed projects, flood prevention subwatershed projects, and emergency watershed protection. Activities include:

Watershed Operations Authorized by PL-534

The planning criteria, economic justifications, local sponsorship requirements, cost-sharing criteria, and other policies and procedures used in the Flood Prevention Program have been adjusted to generally parallel those of the Watershed Protection Program. The Department helps install watershed improvement measures to reduce flood, sediment, and erosion damages; further the conservation, development, utilization, and disposal of water; further the conservation and proper utilization of land; and to accomplish other measures incorporated in subwatershed work plans. The following table shows the status of subwatershed work plans:

| <u>Subwatersheds Status</u>    | <u>1989</u> | <u>1990</u> | <u>1991</u> |
|--------------------------------|-------------|-------------|-------------|
| In preconstruction.....        | 22          | 19          | 19          |
| In construction.....           | 86          | 91          | 91          |
| Continuing land treatment..... | 65          | 65          | 65          |
| Completed construction.....    | 160         | 160         | 160         |
| Feasible, but not started..... | 70          | 68          | 68          |
| Total subwatersheds.....       | <u>403</u>  | <u>403</u>  | <u>403</u>  |

Emergency Watershed Protection Operations

Funding authority for FY 1991 is requested under Sections 403-405 of the Agricultural Credit Act of 1978. Funding is for such emergencies for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever flood, fire, drought, or any other natural element causes a sudden impairment of the watershed. The Department administers the program by providing technical assistance and arranging with local contractors to install most of the required measures.

Small Watershed Operations Authorized by PL-566

The Department provides technical and financial assistance to local organizations to install the watershed works of improvement for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife development, and other authorized features specified in the work plans.

The following table shows the status of PL-566 watershed projects:

| <u>Status of Operational Projects</u>      | <u>1989</u>  | <u>1990</u>  | <u>1991</u>  |
|--------------------------------------------|--------------|--------------|--------------|
| Projects in pre-construction end-of-year.. | 203          | 213          | 223          |
| Projects under construction, start of year | 379          | 364          | 363          |
| New construction starts.....               | 1            | 20           | 10           |
| Less: Projects completed during year.....  | 14           | 20           | 10           |
| Projects continuing land treatment.....    | 38           | 40           | 41           |
| Projects completed, end of year.....       | 711          | 731          | 741          |
| Projects not requiring funds.....          | 163          | 163          | 163          |
| Total operational projects.....            | <u>1,481</u> | <u>1,511</u> | <u>1,531</u> |



JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net decrease in appropriation of \$5,671,000 for Watershed Operations authorized by PL-534 (on the basis of available funds, there is a decrease of \$10,945,917) consisting of:

- (a) A program decrease of \$5,889,000 for PL-534 project construction activities.

Need for Change. The proposed budget reduction reflects the need to balance program benefits, existing commitments, and federal spending constraints. For consistency with other government water resource agencies, legislation has been proposed to require local cost sharing of 25 to 50 percent, with at least 5 percent in cash.

Nature of Change. The proposed funding level would provide sufficient funds for technical assistance and for contract modification costs to continue work already underway at the beginning of 1991. Financial assistance funds available for contract modifications, for new contracts for individual construction units in subwatershed projects already under construction, and for new project starts would be about 56 percent of the FY 1990 level. Priorities for project construction are established at the state level considering the urgency of the problem to be addressed, expected project benefits, cost effectiveness, environmental impacts, and the readiness of local sponsors to proceed. Non-structural land treatment measures and local cost-sharing are emphasized to ensure continued program effectiveness. Efforts are underway to work with local project sponsors to eliminate planned work that is no longer economically or environmentally feasible.

Legislation has been proposed to require local cost sharing at between 25 to 50 percent with at least 5 percent in cash. Also, projects must have at least 20 percent of their benefits directly related to agriculture or upstream communities.

- (b) An increase of \$218,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

- (2) A net decrease in appropriation of \$9,814,000 for Emergency Watershed Operations (on the basis of available funds, there is a decrease of \$16,508,989 consisting of:

- (a) A program decrease of \$9,855,000 for Emergency Watershed Operations.

Need for Change. The proposed budget reduction reflects the need to balance program benefits, existing commitments, and federal spending constraints.

Nature of Change. The proposed level of funding would be available to complete contracts signed in prior years and to provide for an immediate response to exigency situations to reduce hazards to life and property in watersheds damaged by severe natural events occurring in 1991.

- (b) An increase of \$41,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

- (3) A net decrease in appropriation of \$14,270,000 for Watershed Operations authorized by PL-566 (on the basis of available funds, there is a decrease of \$25,438,682 consisting of:

- (a) A program decrease of \$15,123,000 for PL-566 project construction activities.

Need for Change. The proposed budget reduction reflects the need to balance program benefits, existing commitments, and federal spending

cons. 3. For consistency with other government water resource agencies, legislation has been proposed to require local cost sharing of 25 to 50 percent, with at least 5 percent in cash.

Nature of Change. The proposed funding level would provide sufficient funds for technical assistance and for contract modification costs to continue work already underway at the beginning of 1991. Financial assistance funds available for contract modifications, for new contracts for individual construction units in small watershed projects already under construction, and for new project starts would be about 84 percent of the FY 1990 level. Priorities for project construction are established at the state level considering the urgency of the problem to be addressed, expected project benefits, cost effectiveness, environmental impacts, and the readiness of local sponsors to proceed. Non-structural land treatment measures and local cost-sharing are emphasized to ensure continued program effectiveness. Efforts are underway to work with local project sponsors to eliminate planned work that is no longer economically or environmentally feasible.

Legislation has been proposed to require local cost sharing at between 25 to 50 percent with at least 5 percent in cash. Also, projects must have at least 20 percent of their benefits directly related to agriculture or upstream communities.

- (b) An increase of \$853,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.



Distribution of Funds by Agency for Operating Flood Prevention Projects

|                                    | 1989<br>Obligations: | : Brought<br>Forward<br>from 1989 | : 1990 Appro-<br>priation<br>(adjusted): | : Estimated<br>Obligations:<br>1990 | : Budget<br>Estimate<br>1991 |
|------------------------------------|----------------------|-----------------------------------|------------------------------------------|-------------------------------------|------------------------------|
| <b>SOIL CONSERVATION SERVICE</b>   |                      |                                   |                                          |                                     |                              |
| Buffalo Creek, NY.....             | --:                  | --:                               | --:                                      | --:                                 | --                           |
| Colorado (Middle), Texas..         | \$826,621:           | --:                               | \$1,338,560:                             | \$1,338,560:                        | \$856,940                    |
| Coosa, Georgia,                    |                      |                                   |                                          |                                     |                              |
| Tennessee .....                    | --:                  | --:                               | --:                                      | --:                                 | --                           |
| Little Sioux, Iowa.....            | 2,570,358:           | --:                               | 2,421,400:                               | 2,421,400:                          | 1,550,160                    |
| Little Tallachatchie, MS..         | 1,047,683:           | --:                               | 1,604,470:                               | 1,604,470:                          | 1,027,170                    |
| Los Angeles, California...         | --:                  | --:                               | --:                                      | --:                                 | --                           |
| Potomac, MD, PA, VA, and           |                      |                                   |                                          |                                     |                              |
| W. VA.....                         | 3,777,981:           | 338,317:                          | 3,820,660:                               | 4,158,977:                          | 2,662,550                    |
| Santa Ynez, California....         | 39,478:              | 218,000:                          | 59,200:                                  | 277,200:                            | 177,460                      |
| Trinity, Texas.....                | 4,414,952:           | 30,600:                           | 3,544,240:                               | 3,574,840:                          | 2,288,590                    |
| Washita, Oklahoma, Texas..         | 2,942,402:           | --:                               | 2,738,380:                               | 2,738,380:                          | 1,753,900                    |
| Yazoo, Mississippi.....            | 9,019,485:           | 4,688,000:                        | 7,977,290:                               | 12,665,290:                         | 8,108,230                    |
| Subtotal, SCS.....                 | 24,638,960:          | 5,274,917:                        | 23,504,200:                              | 28,779,117:                         | 18,425,000                   |
| <b>FOREST SERVICE a/</b>           |                      |                                   |                                          |                                     |                              |
| Little Sioux, Iowa.....            | --:                  | --:                               | --:                                      | --:                                 | --                           |
| Little Tallahatchie, MS...         | --:                  | --:                               | --:                                      | --:                                 | --                           |
| Los Angeles, California...         | 1,365,187:           | --:                               | 1,392,500:                               | 1,392,500:                          | 1,035,630                    |
| Potomac, MD, PA, VA, and           |                      |                                   |                                          |                                     |                              |
| W. VA.....                         | 165,000:             | --:                               | 148,800:                                 | 148,800:                            | 110,663                      |
| Santa Ynez, California....         | 640,000:             | --:                               | 641,600:                                 | 641,600:                            | 477,157                      |
| Trinity, Texas.....                | 80,000:              | --:                               | 81,800:                                  | 81,800:                             | 60,835                       |
| Washita, Oklahoma, Texas           | 42,000:              | --:                               | 41,300:                                  | 41,300:                             | 30,715                       |
| Yazoo, Mississippi.....            | --:                  | --:                               | --:                                      | --:                                 | --                           |
| Subtotal, Forest Service           | 2,292,187:           | --:                               | 2,306,000:                               | 2,306,000:                          | 1,715,000                    |
| <b>FARMERS HOME ADMINISTRATION</b> |                      |                                   |                                          |                                     |                              |
| Loan Services.....                 | 80,000:              | --:                               | 78,800:                                  | 78,800:                             | 78,000                       |
| Total, P.L.-534 operations..       | \$27,011,147:        | \$5,274,917:                      | \$25,889,000:                            | \$31,163,917:                       | \$20,218,000                 |

a/ Forest Service distribution of 1989 obligations are estimated.

PL-566 Project Activity and Obligations

The following table shows the status of Public Law 566 projects by stage of assistance and amounts obligated or estimated to be obligated.

|                                                                                                 | 1989   |                         | 1990   |                         | 1991   |                         |
|-------------------------------------------------------------------------------------------------|--------|-------------------------|--------|-------------------------|--------|-------------------------|
|                                                                                                 | Number | Dollars in<br>Thousands | Number | Dollars in<br>Thousands | Number | Dollars in<br>Thousands |
| 1. Projects approved for operation and estimated cost of completion:                            |        |                         |        |                         |        |                         |
| a. Uncompleted projects at beginning of year                                                    | 765    | \$1,349,583             | 770    | \$1,258,336             | 780    | \$1,183,044             |
| b. Projects approved during year.....                                                           | 19     | 46,102                  | 30     | 70,000                  | 20     | 48,000                  |
| Total.....                                                                                      | 784    | 1,395,685               | 800    | 1,328,336               | 800    | 1,231,044               |
| 2. Status of projects and amounts obligated:                                                    |        |                         |        |                         |        |                         |
| a. Projects inactive end of year                                                                | 26     | --                      | 25     | --                      | 25     | --                      |
| b. Deauthorized, cumulative.....                                                                | 137    | --                      | 138    | --                      | 138    | --                      |
| c. Projects receiving preconstruction land treatment and engineering services, end of year..... | 203    | 16,600                  | 213    | 17,000                  | 223    | 17,730                  |
| d. Projects moved into construction during year.....                                            | 1      | 5                       | 20     | 4,000                   | 10     | 2,000                   |
| e. Prior year projects continuing construction and land treatment.....                          | 365    | 117,284                 | 344    | 119,792                 | 353    | 98,423                  |
| f. Projects with construction completed continuing land treatment.....                          | 38     | 970                     | 40     | 1,000                   | 41     | 1,000                   |
| g. Projects completed during year.....                                                          | 14     | 2,490                   | 20     | 3,500                   | 10     | 1,700                   |
| Subtotal.....                                                                                   | 784    | 137,349                 | 800    | 145,292                 | 800    | 120,853                 |
| 3. Uncompleted projects (cumulative) at end of year:                                            |        |                         |        |                         |        |                         |
| a. Obligations to date.                                                                         | 770    | 2,210,114               | 780    | 2,351,906               | 790    | 2,471,059               |
| b. Estimated cost of completion.....                                                            | --     | 1,258,336               | --     | 1,183,044               | --     | 1,111,044               |
| 4. Projects completed (cumulative and total cost).....                                          | 711    | 953,002                 | 731    | 956,502                 | 741    | 958,202                 |
| 5. Total projects approved (cumulative and total cost).....                                     | 1,481  | 4,421,452               | 1,511  | 4,491,452               | 1,531  | 4,539,452               |
| Total (cumulative obligations).....                                                             | 1,481  | \$3,163,116             | 1,511  | \$3,308,408             | 1,531  | \$3,429,261             |

Note: This table excludes \$1 million transferred from the Corps of Engineers in FY 1990 for implementation of the PL-87-639 study on John's Creek Tennessee.

SOIL CONSERVATION SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989 and Estimated 1990 and 1991  
WATERSHED & FLOOD PREVENTION OPERATIONS

|                  | 1989        |                | 1990        |                | 1991        |                |
|------------------|-------------|----------------|-------------|----------------|-------------|----------------|
|                  | AMOUNT      | STAFF<br>YEARS | AMOUNT      | STAFF<br>YEARS | AMOUNT      | STAFF<br>YEARS |
| ALABAMA.....     | \$2,240,878 | 24             | \$2,566,385 | 22             | \$1,894,459 | 20             |
| ALASKA.....      | 0           | 0              | 0           | 0              | 0           | 0              |
| ARIZONA.....     | 3,460,156   | 29             | 4,515,088   | 29             | 3,188,740   | 26             |
| ARKANSAS.....    | 7,884,757   | 67             | 4,674,242   | 31             | 3,441,098   | 29             |
| CALIFORNIA.....  | 6,053,791   | 33             | 5,507,027   | 24             | 4,123,894   | 22             |
| COLORADO.....    | 986,099     | 4              | 1,306,442   | 4              | 899,060     | 4              |
| CONNECTICUT....  | 663,797     | 9              | 764,054     | 8              | 661,852     | 9              |
| DELAWARE.....    | 811,607     | 10             | 777,921     | 8              | 626,496     | 7              |
| FLORIDA.....     | 659,305     | 7              | 754,963     | 6              | 579,289     | 6              |
| GEORGIA.....     | 2,275,894   | 15             | 2,331,465   | 12             | 1,708,147   | 11             |
| HAWAII.....      | 2,779,086   | 8              | 2,908,989   | 7              | 2,040,162   | 6              |
| IDAHO.....       | 622,864     | 5              | 824,612     | 5              | 593,332     | 5              |
| ILLINOIS.....    | 3,377,166   | 20             | 4,391,870   | 21             | 3,106,803   | 18             |
| INDIANA.....     | 498,606     | 10             | 1,652,004   | 27             | 1,226,648   | 25             |
| IOWA.....        | 5,966,122   | 51             | 6,336,255   | 43             | 4,759,352   | 38             |
| KANSAS.....      | 5,624,902   | 41             | 5,379,020   | 32             | 3,961,170   | 28             |
| KENTUCKY.....    | 1,774,896   | 18             | 2,080,636   | 17             | 1,542,798   | 15             |
| LOUISIANA.....   | 3,010,540   | 32             | 3,340,542   | 29             | 2,520,859   | 27             |
| MAINE.....       | 910,502     | 9              | 560,263     | 4              | 457,450     | 4              |
| MARYLAND.....    | 495,966     | 4              | 1,007,786   | 7              | 732,506     | 6              |
| MASSACHUSETTS..  | 634,287     | 11             | 1,678,736   | 23             | 1,214,856   | 20             |
| MICHIGAN.....    | 1,600,856   | 13             | 1,692,882   | 11             | 1,230,315   | 10             |
| MINNESOTA.....   | 3,011,447   | 21             | 2,800,346   | 16             | 2,089,966   | 14             |
| MISSISSIPPI....  | 19,440,249  | 203            | 27,109,891  | 216            | 19,241,728  | 189            |
| MISSOURI.....    | 5,971,773   | 39             | 6,281,380   | 34             | 4,656,654   | 29             |
| MONTANA.....     | 1,208,901   | 10             | 1,384,622   | 9              | 1,029,583   | 8              |
| NEBRASKA.....    | 2,893,418   | 24             | 3,502,469   | 23             | 2,525,146   | 20             |
| NEVADA.....      | (5,555)     | 0              | 0           | 0              | 0           | 0              |
| NEW HAMPSHIRE..  | 402,764     | 7              | 210,743     | 3              | 201,322     | 3              |
| NEW JERSEY.....  | 1,079,993   | 8              | 1,686,131   | 10             | 1,237,475   | 9              |
| NEW MEXICO.....  | 6,391,476   | 27             | 8,459,286   | 29             | 5,748,120   | 23             |
| NEW YORK.....    | 2,651,436   | 20             | 1,924,429   | 12             | 1,424,292   | 10             |
| NORTH CAROLINA.. | 3,006,484   | 29             | 3,079,241   | 24             | 2,356,393   | 22             |
| NORTH DAKOTA...  | 1,374,161   | 4              | 541,304     | 1              | 427,674     | 1              |
| OHIO.....        | 3,328,842   | 23             | 3,608,231   | 20             | 2,612,104   | 17             |
| OKLAHOMA.....    | 11,617,725  | 100            | 12,201,802  | 80             | 9,016,157   | 74             |
| OREGON.....      | 1,059,320   | 8              | 1,578,203   | 10             | 1,177,143   | 9              |
| PENNSYLVANIA...  | 6,059,841   | 37             | 5,671,004   | 28             | 3,982,692   | 23             |
| PUERTO RICO..... | 1,873,296   | 7              | 3,312,395   | 10             | 2,440,311   | 9              |
| RHODE ISLAND...  | 31,798      | 0              | 116,131     | 1              | 91,498      | 1              |
| SOUTH CAROLINA.. | 1,581,930   | 15             | 6,106,039   | 43             | 4,277,741   | 38             |
| SOUTH DAKOTA...  | 128,180     | 1              | 208,122     | 1              | 167,711     | 1              |
| TENNESSEE.....   | 3,670,042   | 33             | 5,620,174   | 33             | 3,353,286   | 28             |
| TEXAS.....       | 14,948,941  | 157            | 15,227,474  | 125            | 11,696,370  | 117            |
| UTAH.....        | 280,192     | 10             | 990,268     | 28             | 765,192     | 26             |
| VERMONT.....     | 748,362     | 7              | 3,027,749   | 23             | 2,149,725   | 19             |
| VIRGINIA.....    | 3,627,179   | 33             | 3,717,794   | 27             | 2,793,369   | 24             |
| WASHINGTON.....  | 2,240,405   | 18             | 3,104,703   | 20             | 2,266,011   | 18             |
| WEST VIRGINIA..  | 8,230,688   | 56             | 8,176,462   | 43             | 5,949,131   | 40             |
| WISCONSIN.....   | 1,457,953   | 9              | 1,546,562   | 8              | 1,103,367   | 7              |
| WYOMING.....     | 114,698     | 2              | 857,065     | 12             | 624,334     | 10             |
| CHESTER NTC....  | 1,390,095   | 24             | 1,435,041   | 24             | 1,370,891   | 23             |
| FORT WORTH NTC.. | 2,215,029   | 36             | 2,048,609   | 32             | 1,957,032   | 31             |
| LINCOLN NTC....  | 1,285,108   | 26             | 1,381,290   | 27             | 1,319,543   | 26             |
| PORTLAND NTC...  | 1,386,410   | 21             | 1,216,996   | 18             | 1,162,593   | 17             |
| PACIFIC BASIN    | 659         | -              | 121,202     | 1              | 96,342      | 1              |
| NATIONL HDQTRS.  | 7,236,730   | 65             | 7,300,148   | 65             | 6,973,818   | 64             |
| FMHA ALLOCATN    | 255,000     | 8              | 251,300     | 9              | 250,000     | 8              |
| FS ALLOCATN      | 2,591,257   | 60             | 3,149,800   | 52             | 2,068,000   | 39             |

TOTAL Available  
or Estimate \$177,118,304    1,568    \$204,005,588    1,487    \$151,112,000    1,334

## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Great Plains Conservation Program

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), [~~\$20,884,000~~] \$24,637,000, to remain available until expended (16 U.S.C. 590p(b)(7)).



Great Plains Conservation Program

|                                |                            |
|--------------------------------|----------------------------|
| Appropriation Act, 1990.....   | \$20,884,000               |
| Budget Estimate, 1991.....     | 24,637,000                 |
| Increase in Appropriation..... | <u><u>+\$3,753,000</u></u> |

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

| Item of Change                                            | 1990<br>Estimated   | Pay<br>Cost       | Program<br>Changes  | 1991<br>Estimated   |
|-----------------------------------------------------------|---------------------|-------------------|---------------------|---------------------|
| Great Plains Conservation Program:                        |                     |                   |                     |                     |
| 1. Cost-sharing assistance.....                           | \$12,603,000        | -0-               | +\$2,848,000        | \$15,451,000        |
| 2. Cost-share program and contract<br>administration..... | 2,650,000           | +\$48,000         | +242,000            | 2,940,000           |
| 3. Technical assistance.....                              | 5,631,000           | +102,000          | +513,000            | 6,246,000           |
| TOTAL AVAILABLE.....                                      | <u>\$20,884,000</u> | <u>+\$150,000</u> | <u>+\$3,603,000</u> | <u>\$24,637,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)

| Project                                                      | 1989                | 1990 estimated  |                     | 1991 estimated  |                     |
|--------------------------------------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|
|                                                              | Amount              | Staff:<br>Years | Amount              | Staff:<br>Years | Increase            |
| Great Plains Conserva-<br>tion Program:                      |                     |                 |                     |                 |                     |
| 1. Cost-sharing<br>assistance.....                           | \$12,229,000        | --              | \$12,603,000        | --              | +\$2,848,000        |
| 2. Cost-share program<br>and contract<br>administration..... | 2,638,000           | 61              | 2,650,000           | 60              | +290,000            |
| 3. Technical<br>assistance.....                              | 5,607,000           | 127             | 5,631,000           | 126             | +615,000            |
| Total available or est                                       | <u>\$20,474,000</u> | <u>188</u>      | <u>\$20,884,000</u> | <u>186</u>      | <u>+\$3,753,000</u> |

PROJECT STATEMENT  
(On basis of available funds)

| Project                                                      | 1989                | 1990 estimated  |                     | 1991 estimated  |                     |
|--------------------------------------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|
|                                                              | Amount              | Staff:<br>Years | Amount              | Staff:<br>Years | Increase            |
| Direct obligations:                                          |                     |                 |                     |                 |                     |
| Great Plains Conserva-<br>tion Program:                      |                     |                 |                     |                 |                     |
| 1. Cost-sharing<br>assistance.....                           | \$12,251,587        | --              | \$12,654,443        | --              | +\$2,796,557        |
| 2. Cost-share program<br>and contract<br>administration..... | 2,633,033           | 61              | 2,650,000           | 60              | +290,000            |
| 3. Technical<br>assistance.....                              | 5,595,194           | 127             | 5,631,000           | 126             | +615,000            |
| Total direct oblig....                                       | <u>20,479,814</u>   | <u>188</u>      | <u>20,935,443</u>   | <u>186</u>      | <u>+3,701,557</u>   |
| Unobligated balance<br>brought forward.....                  | (-57,257)           | (--)            | (-51,443)           | (--)            | (+51,443)           |
| Unobligated balance<br>carried forward.....                  | (+51,443)           | (--)            | (--)                | (--)            | (--)                |
| Adjusted appropriation                                       | (20,474,000)        | (188)           | (20,884,000)        | (186)           | (+3,753,000)        |
| Reimbursable oblig....                                       | 3,423               | --              | 39,000              | --              | +1,000              |
| Obligational authority                                       | <u>\$20,483,237</u> | <u>188</u>      | <u>\$20,974,443</u> | <u>186</u>      | <u>+\$3,702,557</u> |

SOURCES OF REIMBURSEMENTS

|                                | 1989    | 1990      |          | 1991      |
|--------------------------------|---------|-----------|----------|-----------|
| Project                        | Actual  | estimated | Change   | estimated |
| Federal Sources.....           | \$2,273 | \$20,000  | --       | \$20,000  |
| Other Non-Federal Sources..... | 1,150   | 19,000    | +\$1,000 | 20,000    |
| Total reimbursements.....      | 3,423   | \$39,000  | +\$1,000 | \$40,000  |



OUTLAYS

| Project                                                   | 1989<br>Actual | : | 1990<br>estimated | : | Increase      | : | 1991<br>estimated |
|-----------------------------------------------------------|----------------|---|-------------------|---|---------------|---|-------------------|
| Great Plains Conservation Program:                        |                |   |                   |   |               |   |                   |
| 1. Cost-sharing assistance.....                           | \$12,947,242:  |   | \$12,508,000:     |   | +\$1,912,000: |   | \$14,420,000      |
| 2. Cost-share program and contract<br>administration..... | 2,646,080:     |   | 2,648,640:        |   | +267,360:     |   | 2,916,000         |
| 3. Technical assistance.....                              | 5,622,920:     |   | 5,628,360:        |   | +568,640:     |   | 6,197,000         |
| Total Outlays.....                                        | \$21,216,242:  |   | \$20,785,000:     |   | +\$2,748,000: |   | \$23,533,000      |

EXPLANATION OF PROGRAM

Authorization: The appropriation for "Great Plains Conservation Program" funds Soil Conservation Service activities authorized under Section 16(b) of the Soil Conservation and Domestic Allotment Act (PL 74-46) as amended by PL 84-1021. PL 96-263 amended PL 84-1021 to extend the Great Plains cost-share contracting authority to September 30, 1991.

Authorization limits: Total cumulative appropriations of \$600,000,000 are authorized for cost-sharing. Cost-sharing payment in any one fiscal year may not exceed \$50,000,000. Through September 30, 1989, \$344,763,516 have been paid out in cost-shares.

This program is in addition to other USDA soil and water conservation programs in the counties designated for participation, and is coordinated with programs and objectives of locally managed conservation districts, State agencies, and community groups.

|                                                                                                    |                         |
|----------------------------------------------------------------------------------------------------|-------------------------|
| <u>Potential Workload:</u>                                                                         | <u>Acres (in 000's)</u> |
| Estimated acreage in the 518 designated counties that could come under Great Plains contracts..... | 198,000                 |
| <u>Current Activity:</u>                                                                           |                         |
| Land under active contracts as of September 30, 1989.....                                          | 15,619                  |

The purpose of the program is to assist farmers and ranchers in planning and applying resource management systems on their farms and ranches to prevent or reduce the effects of the climatic hazards of the area. Benefits to be achieved are protection and improvement of soil, water, plant, and wildlife resources through reduction of erosion and sedimentation, and abatement of agriculture-related pollution. A secondary benefit of the program is its impact on stabilizing the local economy. Activities include:

- Cost-sharing assistance - Payments are made to program participants for a share of the cost of installing eligible conservation practices scheduled in contracts, including, among others, terraces, permanent vegetative cover, re-establishing grasslands and pipelines.
- Cost-share programming and contract administration - Soil Conservation Service provides assistance in developing contracts, which include schedules of conservation practices to be applied, and administers contracts.
- Technical assistance - Soil Conservation Service provides assistance to help farmers and ranchers plan, install, and maintain scheduled conservation practices according to standards and specifications.

| PROGRAM RESULTS                               | FY 1989: | FY 1990:  | FY 1991  |
|-----------------------------------------------|----------|-----------|----------|
|                                               | Actual:  | Estimate: | Estimate |
| Active Contracts - beginning of year.....     | 5,059:   | 5,129:    | 5,429    |
| New Contracts signed.....Annual               | 953:     | 975:      | 1,110    |
| Cumulative                                    | 66,279:  | 67,254:   | 68,364   |
| Contracts Completed and Terminated.....Annual | -883:    | -675:     | -675     |
| Cumulative                                    | 60,996:  | 61,619:   | 62,294   |
| Active Contracts - end of year.....           | 5,129:   | 5,429:    | 5,864    |
| Active applications on hand beginning of year | 1,589:   | 1,725:    | 1,900    |
| Active applications on hand end of year.....  | 1,725:   | 1,900:    | 2,000    |
| Number of participants serviced.....Annual    | 6,012:   | 6,104:    | 6,539    |
| Acres in new contracts (1,000).....Annual     | 2,713:   | 2,775:    | 3,159    |

#### JUSTIFICATION OF INCREASES AND DECREASES

An increase in appropriation of \$3,753,000 for the Great Plains Conservation program (on the basis of available funds there is an increase of \$3,701,557) consisting of:

- (a) An increase of \$3,603,000 to provide additional resources for conservation activities in the ten great plains states.

Need for change. Low moisture conditions due to drought have persisted in the Great Plains states resulting in land damages from wind erosion that reached near record levels during the 1988-1989 season. Current predictions are that these conditions are likely to continue in the foreseeable future and that significant additional damage will occur on unprotected land. Farmers and ranchers will have to plan and apply additional resource management systems to protect these fragile lands.

Nature of change. The additional \$3,603,000 will provide for technical assistance, financial assistance, and program and contract administration to install permanent conservation practices on about 384,000 more acres of land than in 1990 for a total annual acreage in new contracts of 3.2 million. About 135 additional contracts will be signed in 1991, for a total of 1,110 contracts or about 14% more than the 1990 level. The primary purposes of these new contracts will be to convert poorly suited land in cultivation back to grassland, reseeding depleted grassland, planting trees for wind protection, and controlling agriculture related pollution.

- (b) An increase of \$150,000 which represents 50% of the 1991 pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.

SOIL CONSERVATION SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
 1989 and Estimated 1990 and 1991  
 GREAT PLAINS CONSERVATION PROGRAM

|                | 1989                |                        | 1990                |                        | 1991                |                        |
|----------------|---------------------|------------------------|---------------------|------------------------|---------------------|------------------------|
|                | <u>AMOUNT</u>       | <u>STAFF<br/>YEARS</u> | <u>AMOUNT</u>       | <u>STAFF<br/>YEARS</u> | <u>AMOUNT</u>       | <u>STAFF<br/>YEARS</u> |
| COLORADO.....  | \$1,863,888         | 18                     | \$1,908,606         | 17                     | \$2,250,256         | 18                     |
| KANSAS.....    | 2,062,546           | 19                     | 2,037,271           | 20                     | 2,397,553           | 21                     |
| MONTANA.....   | 1,727,899           | 16                     | 1,816,784           | 15                     | 2,145,683           | 16                     |
| NEBRASKA.....  | 1,883,698           | 21                     | 1,957,911           | 20                     | 2,305,084           | 21                     |
| NEW MEXICO.... | 949,307             | 9                      | 1,026,953           | 9                      | 1,209,356           | 9                      |
| NORTH DAKOTA.. | 1,427,905           | 16                     | 1,491,793           | 15                     | 1,754,302           | 16                     |
| OKLAHOMA.....  | 1,634,077           | 15                     | 1,678,199           | 14                     | 1,979,676           | 15                     |
| SOUTH DAKOTA.. | 2,061,904           | 18                     | 2,020,327           | 17                     | 2,377,444           | 18                     |
| TEXAS.....     | 4,993,691           | 40                     | 5,118,269           | 40                     | 6,028,378           | 42                     |
| WYOMING.....   | 1,165,802           | 10                     | 1,191,088           | 10                     | 1,399,981           | 11                     |
| FORT WORTH NTC | 60,932              | 0                      | 40,307              | 0                      | 46,225              | 0                      |
| LINCOLN NTC... | 53,697              | 2                      | 50,384              | 2                      | 57,781              | 2                      |
| PORTLAND NTC.. | 25,524              | 1                      | 95,729              | 4                      | 109,784             | 4                      |
| NATIONL HDQTRS | 568,944             | 3                      | 501,822             | 3                      | 575,497             | 3                      |
| TOTAL.....     | <u>\$20,479,814</u> | <u>188</u>             | <u>\$20,935,443</u> | <u>186</u>             | <u>\$24,637,000</u> | <u>196</u>             |



## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Resource Conservation and Development

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), [\$27,620,000]

- 1 \$24,862,000: Provided, [That \$600,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): Provided further,] That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.

This change deletes language authorizing the Farmers Home Administration to provide resource conservation and development loans from the Agricultural Credit Insurance Fund in FY 1991 since no funds are requested for this purpose in the FY 1991 budget.



Resource Conservation and Development

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$27,620,000      |
| Budget Estimate, 1991.....     | 24,862,000        |
| Decrease in Appropriation..... | <u>-2,758,000</u> |

## Adjustments in 1990

|                                                   |                 |                   |
|---------------------------------------------------|-----------------|-------------------|
| Appropriation Act, 1990.....                      | \$27,620,000    |                   |
| Gramm-Rudman-Hollings Reduction (P.L.99-177)..... | <u>-365,000</u> |                   |
| Adjusted base for 1990.....                       |                 | 27,255,000        |
| Budget estimate, 1991.....                        |                 | 24,862,000        |
| Decrease from adjusted 1990.....                  |                 | <u>-2,393,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(on basis of adjusted appropriation)

| Item of Change                         | 1990<br>Estimated   | Pay Cost          | Program<br>Changes  | 1991<br>Estimated   |
|----------------------------------------|---------------------|-------------------|---------------------|---------------------|
| Resource Conservation and Development: |                     |                   |                     |                     |
| 1. Technical assistance.....           | \$20,235,000        | +\$375,000        | +\$1,905,000        | \$22,515,000        |
| 2. Financial assistance.....           | 6,961,000           | --                | -4,673,000          | 2,288,000           |
| Loan services.....                     | 59,000              | --                | --                  | 59,000              |
| TOTAL AVAILABLE.....                   | <u>\$27,255,000</u> | <u>+\$375,000</u> | <u>-\$2,768,000</u> | <u>\$24,862,000</u> |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Project                                   | 1989                 |                 | 1990 estimated       |                 | Increase<br>or<br>Decrease | 1991 estimated       |                 |
|-------------------------------------------|----------------------|-----------------|----------------------|-----------------|----------------------------|----------------------|-----------------|
|                                           | Amount               | Staff:<br>Years | Amount               | Staff:<br>Years |                            | Amount               | Staff:<br>Years |
| Resource Conservation<br>and Development: |                      |                 |                      |                 |                            |                      |                 |
| 1. Technical                              |                      |                 |                      |                 |                            |                      |                 |
| assistance.....                           | \$18,330,000:        | 431:            | \$20,235,000:        | 439:            | +\$2,280,000               | \$22,515,000:        | 443             |
| 2. Financial                              |                      |                 |                      |                 |                            |                      |                 |
| assistance.....                           | 6,730,000:           | --:             | 6,961,000:           | --:             | -4,673,000                 | 2,288,000:           | --              |
| 3. Loan services.....                     | 60,000:              | 2:              | 59,000:              | 2:              | -                          | 59,000:              | 2               |
| Subtotal.....                             | <u>\$25,120,000:</u> | <u>433:</u>     | <u>\$27,255,000:</u> | <u>441:</u>     | <u>-\$2,393,000</u>        | <u>\$24,862,000:</u> | <u>445</u>      |
| G-R-H Red(P.L.99-177).                    | --                   | --              | +365,000:            | -               |                            |                      |                 |
| Total available.....                      | <u>\$25,120,000:</u> | <u>433:</u>     | <u>\$27,620,000:</u> | <u>441:</u>     |                            |                      |                 |

PROJECT STATEMENT  
(On basis of available funds)

| Project                                      | 1989                 |                 | 1990 estimated       |                 | Increase<br>or<br>Decrease | 1991 estimated       |                 |
|----------------------------------------------|----------------------|-----------------|----------------------|-----------------|----------------------------|----------------------|-----------------|
|                                              | Amount               | Staff:<br>Years | Amount               | Staff:<br>Years |                            | Amount               | Staff:<br>Years |
| Resource Conservation<br>and Development:    |                      |                 |                      |                 |                            |                      |                 |
| 1. Technical                                 |                      |                 |                      |                 |                            |                      |                 |
| assistance.....                              | \$20,499,545:        | 431:            | \$21,691,160:        | 439:            | +\$ 823,840                | \$22,515,000:        | 443             |
| 2. Financial                                 |                      |                 |                      |                 |                            |                      |                 |
| assistance.....                              | 4,620,811:           | --:             | 7,710,040:           | --:             | -5,422,040                 | 2,288,000:           | --              |
| 3. Loan services.....                        | 60,000:              | 2:              | 59,000:              | 2:              | -                          | 59,000:              | 2               |
| Total direct oblig....                       | <u>25,180,356:</u>   | <u>433:</u>     | <u>29,460,200:</u>   | <u>441:</u>     | <u>-4,598,200</u>          | <u>24,862,000:</u>   | <u>445</u>      |
| Unobligated balance<br>brought forward ..... | (-2,265,556)         | (--)            | (-2,205,200)         | (--)            | (+2,205,200)               | (--)                 | (--)            |
| Unobligated balance<br>carried forward.....  | (+2,205,200)         | (--)            | (--)                 | (--)            | (--)                       | (--)                 | (--)            |
| Appropriation total...                       | <u>(25,120,000)</u>  | <u>(433)</u>    | <u>(27,255,000)</u>  | <u>(441)</u>    | <u>(-2,393,000)</u>        | <u>(24,862,000)</u>  | <u>(445)</u>    |
| Reimbursable<br>obligations:                 |                      |                 |                      |                 |                            |                      |                 |
| Resource Conservation<br>and Development:    |                      |                 |                      |                 |                            |                      |                 |
| (a) Technical                                |                      |                 |                      |                 |                            |                      |                 |
| assistance.....                              | 66,868:              | --:             | 95,000:              | --:             | --                         | 102,000:             | --              |
| (b) Financial                                |                      |                 |                      |                 |                            |                      |                 |
| assistance.....                              | 451,347:             | --:             | 841,000:             | --:             | --                         | 898,000:             | --              |
| Total reimbursable<br>obligations.....       | <u>518,215:</u>      | <u>--:</u>      | <u>936,000:</u>      | <u>--:</u>      | <u>+64,000</u>             | <u>1,000,000:</u>    | <u>--</u>       |
| Obligational authority                       | <u>\$25,698,571:</u> | <u>433:</u>     | <u>\$30,396,200:</u> | <u>441:</u>     | <u>-\$4,534,200</u>        | <u>\$25,862,000:</u> | <u>445</u>      |

SOURCES OF REIMBURSEMENTS

| Project                 | 1989<br>Actual   | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated  |
|-------------------------|------------------|-------------------|-------------------------|--------------------|
| Federal Sources.....    | --               | --                | --                      | --                 |
| Non-Federal Sources.... | \$518,215        | \$936,000         | +\$64,000               | \$1,000,000        |
| Total Reimbursements... | <u>\$518,215</u> | <u>\$936,000</u>  | <u>+\$64,000</u>        | <u>\$1,000,000</u> |

OUTLAYS

|                                           |                     |                     |                   |                     |
|-------------------------------------------|---------------------|---------------------|-------------------|---------------------|
| Resource Conservation<br>and Development: |                     |                     |                   |                     |
| (a) Technical<br>assistance.....          | \$16,767,551        | \$20,750,000        | +\$1,694,000      | \$22,444,000        |
| (b) Financial<br>assistance.....          | 8,989,462           | 6,200,000           | -1,275,000        | 4,925,000           |
| (c) Loan services.....                    | 60,000              | 59,000              | -                 | 59,000              |
| Total Outlays.....                        | <u>\$25,817,013</u> | <u>\$27,009,000</u> | <u>+\$419,000</u> | <u>\$27,428,000</u> |

EXPLANATION OF PROGRAM

The appropriation "Resource Conservation and Development" funds the activities authorized under Section 32(e) of Title III of the Bankhead-Jones Farm Tenant Act (Public Law 75-210), as amended and the Soil Conservation and Domestic Allotment Act of April 27, 1935, (Public Law 74-46), as amended and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461). Program assistance provided in authorized RC&D areas includes technical assistance for planning and implementation, financial assistance, and loan services.

Technical Assistance: Staff assistance is provided to local sponsors in the preparation of RC&D area plans for the conservation, development, and utilization of the natural resources in the RC&D area. Staff assistance is also provided to local sponsors in the implementation of their RC&D plans. This includes:

- a. Assistance with inventories and studies of measures of areawide scale that directly aid sponsors in achieving their RC&D objectives.
- b. Assistance in developing plans, designs, layout, and installation of measures eligible for RC&D financial assistance.
- c. Assistance to sponsors to achieve activities and measures contained in the RC&D plans which are ineligible for RC&D financial assistance.

Financial Assistance: Financial assistance is provided to eligible sponsors to install approved measures. Priority is given to measures related to erosion and sediment control (critical area treatment), flood prevention and farm irrigation, and efficiency in water short areas. Other purposes include soil and water management for control of agriculture-related pollutants, public water-based recreation developments, and public water-based fish and wildlife developments.

MAIN WORKLOAD FACTORS

|                                                                          | 1989<br>Actual | 1990<br>Estimate | 1991<br>Estimate |
|--------------------------------------------------------------------------|----------------|------------------|------------------|
| <u>Status of Authorized RC&amp;D Areas:</u>                              |                |                  |                  |
| RC&D areas authorized at beginning of year.....                          | 190            | 190              | 194              |
| New RC&D areas deauthorized during year.....                             | 0              | 1                | 0                |
| New RC&D areas authorized during year.....                               | 0              | 5                | 2                |
| RC&D areas authorized at end of year.....                                | 190            | 194              | 196              |
| Unserviced applications on hand...                                       | 46             | 41               | 45               |
| <u>RC&amp;D Measures:</u>                                                |                |                  |                  |
| <u>Financially assisted:</u>                                             |                |                  |                  |
| In Planning (BOY).....                                                   | 480            | 461              | 440              |
| New Plans in Year.....                                                   | 21             | 32               | 40               |
| New Plans Cumulative.....                                                | 3,629          | 3,661            | 3,701            |
| Plans Completed in Year.....                                             | 40             | 52               | 46               |
| Plans Completed Cumulative.....                                          | 3,146          | 3,198            | 3,244            |
| Plans Cancelled in Year.....                                             | 0              | 1                | 0                |
| Plans Cancelled Cumulative.....                                          | 22             | 23               | 23               |
| Plans terminated.....                                                    | --             | --               | --               |
| In Planning (EOY).....                                                   | 461            | 440              | 434              |
| Installation Underway (BOY).....                                         | 319            | 299              | 282              |
| Installation Started in Year.....                                        | 40             | 52               | 46               |
| Installation Started Cumulative..                                        | 3,146          | 3,198            | 3,244            |
| Installation Completed in Year...                                        | 52             | 63               | 59               |
| Installation Completed Cumulative                                        | 2,792          | 2,855            | 2,914            |
| Projects cancelled in year.....                                          | 8              | 6                | 5                |
| Projects cancelled cumulative....                                        | 55             | 61               | 66               |
| Projects terminated.....                                                 | --             | --               | --               |
| Installation Underway (EOY).....                                         | 299            | 282              | 264              |
| <u>Plans Completed, Installation Not Yet Underway:</u>                   |                |                  |                  |
| Number.....                                                              | 168            | 218              | 265              |
| Cost (\$ in 000's).....                                                  | \$ 37,800      | \$ 49,050        | \$59,625         |
| <u>Measures Completed with Other than RC&amp;D Financial Assistance:</u> |                |                  |                  |
| During Year.....                                                         | 346            | 375              | 410              |
| Cumulative.....                                                          | 16,743         | 17,118           | 17,528           |

Loan Services Assistance: Funds are provided to the Farmers Home Administration (FmHA) to service loans made to sponsors from the Agricultural Credit Insurance Fund. Loan services must be provided from Resource Conservation and Development funds because the Agricultural Credit Insurance Fund of the FmHA is not available for such expenses. The workload in FY 1989 consisted of servicing 123 outstanding loans and loan counseling to help local sponsors arrange funding necessary to implement planned financial assistance measures.

| Item                                | 1989 |               | 1990 |                  | 1991 |                  |
|-------------------------------------|------|---------------|------|------------------|------|------------------|
|                                     | No.  | Actual Amount | No.  | Estimated Amount | No.  | Estimated Amount |
| 1. Loans obligated during year..... | 0    | 0             | 0    | 0                | 0    | 0                |
| 2. Borrowers outstanding            | 123  | \$11,183,000  | 123  | \$11,183,000     | 123  | \$11,183,000     |
| 3. Loans cumulative.....            | 292  | \$29,171,401  | 292  | \$29,171,401     | 292  | \$29,171,401     |

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net decrease in appropriation of \$2,393,000 for the Resource Conservation and Development program (on the basis of available funds there is a decrease of \$4,598,200) consisting of:

- (a) A program decrease of \$2,768,000 for the Resource Conservation and Development program (on the basis of available funds there is a decrease of \$4,973,200).

Need for Change. The proposed budget reduction reflects the need to emphasize Federal technical assistance in supporting local rural development activities. The \$24,862,000 proposed funding level in the budget would be sufficient to continue ongoing program activities in fiscal year 1991.

Nature of Change. The Resource Conservation and Development program is a major component of the Department's Rural Development Initiative that was announced in 1987. The Initiative includes refocusing community loan, grant and technical assistance programs to help rural communities improve basic elements, such as water systems and public facilities, that enhance the social, economic and environmental conditions of their rural areas. The Resource Conservation and Development program would provide technical assistance needed to improve the management and conservation of land and water community resources. In fiscal year 1991, staffing for resource conservation and development coordinators would be increased by decreasing funding for resource conservation and development financial assistance as local sponsors assume greater responsibility for securing other than RC&D funding for project measures. Limited financial assistance for RC&D cost-shared measures will be directed primarily to RC&D measures that improve the natural resources, recreation and tourism, water and water quality, and fish and wildlife habitat. Additionally, loans would no longer be made under the Farmers' Home Administration Agricultural Credit Insurance Fund account.

- (b) An increase of \$375,000 which represents 50% of the pay raise. The remaining 50% of the 1991 pay raise and the total 1990 pay raise are being absorbed.



SOIL CONSERVATION SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1989 and Estimated 1990 and 1991  
RESOURCE CONSERVATION AND DEVELOPMENT

|                                | 1989         |                | 1990         |                | 1991         |                |
|--------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                                | AMOUNT       | STAFF<br>YEARS | AMOUNT       | STAFF<br>YEARS | AMOUNT       | STAFF<br>YEARS |
| ALABAMA.....                   | \$573,522    | 10             | \$834,745    | 11             | \$625,128    | 11             |
| ALASKA.....                    | 0            | 0              | 0            | 0              | 0            | 0              |
| ARIZONA.....                   | 474,676      | 10             | 663,328      | 10             | 538,391      | 10             |
| ARKANSAS.....                  | 1,524,027    | 15             | 758,488      | 12             | 686,455      | 13             |
| CALIFORNIA.....                | 321,612      | 7              | 414,266      | 8              | 390,747      | 8              |
| COLORADO.....                  | 478,611      | 10             | 551,531      | 11             | 560,701      | 11             |
| CONNECTICUT....                | 270,697      | 7              | 267,501      | 6              | 286,101      | 6              |
| DELAWARE.....                  | 117,310      | 2              | 141,698      | 2              | 121,363      | 2              |
| FLORIDA.....                   | 267,532      | 5              | 404,010      | 6              | 311,353      | 6              |
| GEORGIA.....                   | 712,370      | 10             | 969,984      | 9              | 604,747      | 9              |
| HAWAII.....                    | 148,532      | 2              | 238,470      | 5              | 255,051      | 5              |
| IDAHO.....                     | 520,028      | 9              | 600,315      | 10             | 515,271      | 10             |
| ILLINOIS.....                  | 603,083      | 11             | 547,669      | 10             | 503,239      | 10             |
| INDIANA.....                   | 601,768      | 13             | 696,281      | 13             | 674,260      | 13             |
| IOWA.....                      | 678,805      | 14             | 736,145      | 15             | 787,333      | 15             |
| KANSAS.....                    | 550,608      | 10             | 443,761      | 10             | 474,618      | 10             |
| KENTUCKY.....                  | 522,702      | 12             | 660,678      | 9              | 515,431      | 9              |
| LOUISIANA.....                 | 280,859      | 7              | 446,517      | 5              | 302,479      | 5              |
| MAINE.....                     | 434,335      | 10             | 492,604      | 9              | 476,545      | 9              |
| MARYLAND.....                  | 366,200      | 6              | 409,653      | 5              | 297,264      | 5              |
| MASSACHUSETTS..                | 239,204      | 7              | 235,359      | 5              | 251,725      | 5              |
| MICHIGAN.....                  | 590,521      | 9              | 696,619      | 9              | 523,685      | 9              |
| MINNESOTA.....                 | 399,930      | 9              | 542,601      | 10             | 501,843      | 10             |
| MISSISSIPPI....                | 930,623      | 10             | 666,092      | 9              | 511,159      | 9              |
| MISSOURI.....                  | 505,912      | 10             | 661,832      | 10             | 556,915      | 10             |
| MONTANA.....                   | 447,546      | 9              | 461,612      | 7              | 393,086      | 7              |
| NEBRASKA.....                  | 303,317      | 5              | 333,623      | 5              | 276,322      | 5              |
| NEVADA.....                    | 151,764      | 1              | 117,161      | 3              | 125,308      | 3              |
| NEW HAMPSHIRE..                | 151,373      | 3              | 134,787      | 3              | 144,160      | 3              |
| NEW JERSEY.....                | 400,840      | 6              | 268,537      | 6              | 287,210      | 6              |
| NEW MEXICO.....                | 417,153      | 10             | 672,312      | 9              | 517,813      | 9              |
| NEW YORK.....                  | 626,201      | 14             | 706,415      | 11             | 604,599      | 11             |
| NORTH CAROLINA..               | 481,769      | 8              | 617,253      | 11             | 599,799      | 12             |
| NORTH DAKOTA...                | 418,335      | 6              | 631,413      | 7              | 421,744      | 7              |
| OHIO.....                      | 699,154      | 14             | 702,040      | 11             | 646,207      | 12             |
| OKLAHOMA.....                  | 1,023,500    | 12             | 1,748,613    | 11             | 930,371      | 12             |
| OREGON.....                    | 305,252      | 6              | 367,838      | 6              | 312,916      | 6              |
| PENNSYLVANIA...                | 441,360      | 7              | 721,503      | 10             | 550,299      | 10             |
| PUERTO RICO.....               | 158,138      | 3              | 198,033      | 4              | 211,804      | 4              |
| RHODE ISLAND...                | 125,533      | 2              | 126,031      | 2              | 118,695      | 2              |
| SOUTH CAROLINA..               | 418,252      | 8              | 520,711      | 9              | 456,294      | 9              |
| SOUTH DAKOTA...                | 536,278      | 10             | 579,350      | 10             | 539,136      | 10             |
| TENNESSEE.....                 | 576,912      | 9              | 663,557      | 9              | 510,461      | 9              |
| TEXAS.....                     | 1,049,685    | 13             | 1,626,045    | 12             | 954,242      | 12             |
| UTAH.....                      | 372,459      | 5              | 486,261      | 6              | 338,949      | 6              |
| VERMONT.....                   | 217,769      | 6              | 216,696      | 5              | 231,764      | 5              |
| VIRGINIA.....                  | 228,943      | 5              | 218,770      | 5              | 233,982      | 5              |
| WASHINGTON.....                | 202,562      | 4              | 221,880      | 5              | 237,309      | 5              |
| WEST VIRGINIA..                | 474,999      | 11             | 669,437      | 11             | 595,236      | 10             |
| WISCONSIN.....                 | 318,900      | 5              | 501,471      | 8              | 415,591      | 8              |
| WYOMING.....                   | 290,727      | 6              | 405,164      | 7              | 352,837      | 7              |
| CHESTER NTC....                | 50,199       | 1              | 77,762       | 2              | 83,169       | 2              |
| FORT WORTH NTC..               | 116,409      | 3              | 145,155      | 3              | 155,249      | 3              |
| LINCOLN NTC....                | 114,176      | 3              | 103,682      | 2              | 110,892      | 2              |
| PORTLAND NTC...                | 67,071       | 1              | 51,841       | 1              | 55,446       | 1              |
| NATIONL HDQTRS..               | 1,095,762    | 18             | 1,326,100    | 27             | 1,418,306    | 28             |
| FMHA ALLOCATN..                | 60,000       | 2              | 60,000       | 2              | 59,000       | 2              |
| FS ALLOCATION...               | 724,551      | 2              | 699,000      | 2              | 702,000      | 2              |
| TOTAL Available<br>or Estimate | \$25,180,356 | 433            | \$29,460,200 | 441            | \$24,862,000 | 445            |

\* Estimated allocations to the SCS National Headquarters for Fiscal Year 1990 contains \$600,000 to be allocated to new RC&D areas as they are authorized by the Secretary of Agriculture.



### Passenger Motor Vehicles

Passenger motor vehicles of the Soil Conservation Service are distributed among 50 State Offices and Puerto Rico, 230 area offices, and various technical specialists located at field headquarters. None of these vehicles are used in Washington, D.C. Vehicles are used in rural and other areas where common carrier facilities are either non-existent, uneconomical, or inadequate. The nature of the travel requires a high degree of mobility with frequent stops at field offices, job sites, and other places not serviced by common carrier. Resident technicians servicing farmers and ranchers in conservation districts use pickup trucks rather than passenger vehicles.

Passenger motor vehicles are generally assigned to an office location and not exclusively to one individual. This allows several employees to rely on the use of a single vehicle, thus maximizing utilization, and minimizing the number of vehicles needed.

On September 30, 1989, the Soil Conservation Service had 2,279 passenger vehicles in a total fleet of 11,105 vehicles. The fleet includes pickup trucks, sedan deliveries (light trucks), jeeps, and heavy trucks.

Replacement of Passenger Motor Vehicles. The fiscal year 1991 estimates provide for the replacement of 400 passenger motor vehicles during the fiscal year. The vehicles proposed for replacement are driven more than 60,000 miles or are more than 6 years of age or would be beyond economic repair due to accident or other causes.

SCS is continuing a sound and effective replacement program. During fiscal year 1989, 108 replacements were purchased. Economy of operation and expected use factors are taken into consideration as well as prescribed age and mileage standards in planning replacements.

Age and mileage data for Soil Conservation Service passenger motor vehicles on hand September 30, 1989, are as follows:

| Model          | AGE DATA              |                     | Lifetime<br>Mileage<br>(Thousands) | MILEAGE DATA          |                     |
|----------------|-----------------------|---------------------|------------------------------------|-----------------------|---------------------|
|                | Number of<br>Vehicles | Percent<br>of Total |                                    | Number of<br>Vehicles | Percent<br>of Total |
| 1984 and older | 1,257                 | 55.2                | 80 to over 100                     | 207                   | 9.1                 |
| 1985           | 183                   | 8.0                 | 60-80                              | 526                   | 23.1                |
| 1986           | 153                   | 6.7                 | 40-60                              | 620                   | 27.2                |
| 1987           | 187                   | 8.2                 | 20-40                              | 487                   | 21.4                |
| 1988           | 258                   | 11.3                | Under 20                           | 439                   | 19.2                |
| 1989           | 241                   | 10.6                |                                    | 2,279                 | 100.0               |
| TOTAL          | 2,279                 | 100.0               |                                    |                       |                     |



## RURAL ELECTRIFICATION ADMINISTRATION

Purpose Statement

The Rural Electrification Administration (REA) was established by Executive Order 7037 on May 11, 1935, to provide loan funds to eligible borrowers for the purpose of extending central station electric service to unserved persons in rural areas. Statutory provision for the agency was made in the Rural Electrification (RE) Act of May 20, 1936; and on July 1, 1939, under Reorganization Plan II, REA became a part of the Department of Agriculture. On October 28, 1949, the purpose of REA was expanded by Public Law 423, which amended the Act to authorize loans for furnishing telephone service to rural areas.

Public Law 93-32, enacted May 11, 1973, amended the Rural Electrification Act of 1936, as amended, by establishing a "Rural Electrification and Telephone Revolving Fund" (RETRF) for the purpose of making insured loans to REA electric and telephone borrowers. Loans made under this authority bear either 2 or 5 percent interest in accordance with criteria specified in the Act, and have a maturity not to exceed 35 years. The Act also authorized REA to guarantee loans made by other lenders at rates and terms agreed upon between the lender and the borrower. The Rural Electrification and Telephone Revolving Fund legislation contains the following statement of Congressional intent regarding the REA programs:

... it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended; and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives.

In October 1976, Public Law 94-570 amended the Act, changing the statutory criteria used in determining eligibility for the special interest rate (2 percent) insured loans. The change in criteria corrected unintended inequities resulting from P.L. 93-32, to bring the number of borrowers eligible for the special rate more in line with Congressional intent and with borrowers' actual needs for loan funds at this rate.

On August 13, 1981, the Omnibus Budget Reconciliation Act, Public Law 97-35, was signed into law to further amend the RE Act. This legislation changed the Act by eliminating the special 2 percent interest rate on insured loans from the RETRF. However, it did provide that the Administrator may make insured loans at a rate less than 5 percent, but not less than 2 percent, if the borrower has experienced extreme financial hardship, or cannot provide service consistent with the objectives of the Act without charging rates so high that a substantial disparity results between such rates and those charged for similar services in the same or nearby areas by other suppliers.

On December 21, 1987, the Omnibus Budget Reconciliation Act of 1987, Public Law 100-203, amended the Act to establish a Cushion of Credit Payment Program whereby borrowers are encouraged to make voluntary deposits into their cushion of credit account. This amendment provided that a Rural Economic

Development Subaccount be maintained in the Rural Electrification and Telephone Revolving Fund. This subaccount will be credited a sum determined by multiplying the outstanding cushion of credit payments made after October 1, 1987, by the difference between the average weighted interest rate paid on outstanding Certificates of Beneficial Ownership issued by the Fund and the 5 percent rate of interest provided to borrowers on cushion of credit payments. The Administrator is authorized to utilize the funds in the subaccount to make zero-interest loans and grants to borrowers for the purpose of promoting rural economic development and job creation projects.

As of September 30, 1989, REA employed a total of 528 full-time permanent employees, 8 part-time permanent employees, and 5 other employees. The field staff consisted of 114 permanent full-time employees located throughout the United States. These employees utilize their homes as their offices. REA maintains no field offices. The Washington staff was composed of 414 full-time permanent, 8 part-time permanent employees and 5 other employees.

#### Rural Telephone Bank

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act of 1936, as amended, to establish the Rural Telephone Bank as a supplemental source of financing for the growing capital needs of rural telephone systems. Public Law 92-324, approved June 30, 1972, further amended the Act to permit the Secretary of the Treasury to purchase the Bank's debentures.

Public Law 93-32 made additional amendments to the Act and provided for Bank borrowing authority of 20 times its paid-in capital and retained earnings. It also required that the Bank charge a single interest rate, based on the average cost of money to the Bank, but not less than 5 percent per annum. Bank loans must be fully amortized over a period not to exceed 50 years. Most loans have been made for a 35-year period.

Public Law 100-203, approved December 22, 1987, authorized the prepayment of Rural Telephone Bank loans at face value without a prepayment premium during fiscal year 1988. The legislation also established a formula for determining interest rates on Rural Telephone Bank loans, defined the interest rate to be considered for purposes of assessing eligibility for loans, and established in the Bank a reserve for losses due to interest rate fluctuations.

The Rural Telephone Bank is managed by a 13-member board of directors. The Administrator of REA serves as Governor of the Bank until conversion to private ownership, control, and operation, which will take place when 51 percent of the Class A Stock issued to the United States and outstanding at any time after September 30, 1995, has been fully redeemed and retired. The Bank board holds at least four regularly scheduled meetings a year. Activities of the Bank are carried out by REA and the Office of the General Counsel employees.

Through fiscal year 1989, \$534.7 million in Bank capitalization had been made available through the purchase by the United States of the Rural Telephone Bank's Class A Stock. Although the RE Act had originally set the maximum Government contribution at \$300 million, the Farm Bill of 1981 amended the RE Act to permit continued Class A stock purchases in annual amounts not to exceed \$30 million through fiscal year 1991, with total purchases not to exceed \$600 million.

#### Rural Communication Development Fund

The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419) approved August 30, 1972. The Rural Communication Development Fund (RCDF), a separate account of the RDIF, was established pursuant to Secretary's Memorandum No. 1988 approved May 22, 1979. This action

transferred certain financing authorities under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from the Farmers Home Administration (FmHA) to the Rural Electrification Administration for the purpose of financing the construction of community antenna television services or facilities in rural areas. The RCDF was set up to insure or guarantee loans for community antenna television services or facilities to both cooperatives and commercial borrowers. The program was authorized to utilize the Community Facility authority and the Business and Industrial authorities of the Rural Development Act of 1972.

During fiscal years 1979 and 1980, loan guarantees and administrative costs were funded from amounts authorized for or originally appropriated to FmHA. Since fiscal year 1980, all applicable administrative costs have been provided for in the REA Salaries and Expenses appropriation. Loan authority made available is provided for separately under the Rural Communication Development Fund.

In 1981, it was determined that sufficient capital was available from private investors and that the activity could be more appropriately financed by the private sector. REA continues to administer the existing program by making advances on previous loans and performing debt servicing. The last loan approved or guaranteed under this authority was in fiscal year 1981.



## RURAL ELECTRIFICATION ADMINISTRATION

Available Funds and Staff-Years1989 Actual and Estimated, 1990 and 1991

| Item                                                                       | 1989           |                 | 1990             |                 | 1991             |                 |
|----------------------------------------------------------------------------|----------------|-----------------|------------------|-----------------|------------------|-----------------|
|                                                                            | Actual         |                 | Estimated        |                 | Estimated        |                 |
|                                                                            | Amount         | Staff:<br>Years | Amount           | Staff:<br>Years | Amount           | Staff:<br>Years |
| Loan Authorizations:                                                       |                |                 |                  |                 |                  |                 |
| Rural Electrification:                                                     |                |                 |                  |                 |                  |                 |
| Insured loans.....                                                         | \$622,050,000: | --              | \$622,050,000:   | --              | \$200,000,000:   | --              |
| Insured loans (FFB).....                                                   | 39,502,000:    | --              | 813,450,000:     | --              | --               | --              |
| Total, electric loans.....                                                 | 661,552,000:   | --              | 1,435,500,000:   | --              | 200,000,000:     | --              |
| Rural Telephone:                                                           |                |                 |                  |                 |                  |                 |
| Insured loans.....                                                         | 214,149,000:   | --              | 239,250,000:     | --              | --               | --              |
| Insured loans (FFB).....                                                   | --             | --              | 119,625,000:     | --              | --               | --              |
| Total, telephone loans.....                                                | 214,149,000:   | --              | 358,875,000:     | --              | --               | --              |
| Rural Telephone Bank Loans.                                                | 177,044,700:   | --              | 177,045,000:     | --              | 125,000,000:     | --              |
| Total, REA & RTB Loan Authorizations.....                                  | 1,052,745,700: | --              | 1,971,420,000:   | --              | 325,000,000:     | --              |
| Appropriated Funds:                                                        |                |                 |                  |                 |                  |                 |
| Salaries and Expenses.....                                                 | 30,689,306:    | 532:            | 31,124,000:      | 537:            | 33,055,000:      | 531             |
| Office of Administrator....                                                | 57,253:        | 1:              | 194,000:         | 3:              | --               | --              |
| Reimbursement to the revolving fund for interest subsidies and losses..... | 341,000,000:   | --              | 240,757,000:     | --              | --               | --              |
| Purchase of Capital Stock..                                                | 28,710,000:    | --              | 28,710,000:      | --              | --               | --              |
| Rural Economic Development Loans and Grants.....                           | 540,000:       | --              | 4,992,000:       | --              | --               | --              |
| Rural Communication Development Fund.....                                  | 1,447,000:     | --              | 1,329,000:       | --              | 1,264,000:       | --              |
| Total, Appropriated Funds....                                              | 402,443,559:   | 533:            | 307,106,000:     | 540:            | 34,319,000:      | 531             |
| Total, Rural Electrification Administration, Rural Telephone Bank.....     | 1,455,189,259: | 533:            | 2,278,526,000:   | 540:            | 359,319,000:     | 531             |
| Full-time Equivalent Staff-Years                                           | <u>Actual</u>  |                 | <u>Estimated</u> |                 | <u>Estimated</u> |                 |
| Ceiling.....                                                               | 533            |                 | 540              |                 | 531              |                 |
| Non-ceiling.....                                                           | --             |                 | --               |                 | --               |                 |
| Total.....                                                                 | 533            |                 | 540              |                 | 531              |                 |

## RURAL ELECTRIFICATION ADMINISTRATION

## Permanent Positions by Grade and Staff-Year Summary

## 1989 and Estimated 1990 and 1991

| Grade                          | 1989         |       |       | 1990         |       |       | 1991         |       |       |
|--------------------------------|--------------|-------|-------|--------------|-------|-------|--------------|-------|-------|
|                                | Headquarters | Field | Total | Headquarters | Field | Total | Headquarters | Field | Total |
| Executive Level V              | --           | --    | --    | 1            | --    | 1     | 1            | --    | 1     |
| ES-5                           | 1            | --    | 1     | 1            | --    | 1     | 1            | --    | 1     |
| ES-4                           | 2            | --    | 2     | 3            | --    | 3     | 3            | --    | 3     |
| ES-3                           | 1            | --    | 1     | 1            | --    | 1     | 1            | --    | 1     |
| GS/GM-15                       | 14           | --    | 14    | 15           | --    | 15    | 15           | --    | 15    |
| GS/GM-14                       | 50           | --    | 50    | 51           | --    | 51    | 51           | --    | 51    |
| GS/GM-13                       | 90           | 104   | 194   | 87           | 112   | 199   | 78           | 112   | 190   |
| GS-12                          | 51           | 8     | 59    | 50           | 8     | 58    | 50           | 8     | 58    |
| GS-11                          | 29           | 2     | 31    | 26           | 5     | 31    | 26           | 5     | 31    |
| GS-10                          | --           | --    | --    | 1            | --    | 1     | 1            | --    | 1     |
| GS-9                           | 27           | --    | 27    | 27           | --    | 27    | 27           | --    | 27    |
| GS-8                           | 8            | --    | 8     | 6            | --    | 6     | 6            | --    | 6     |
| GS-7                           | 49           | --    | 49    | 49           | --    | 49    | 49           | --    | 49    |
| GS-6                           | 29           | --    | 29    | 30           | --    | 30    | 30           | --    | 30    |
| GS-5                           | 23           | --    | 23    | 23           | --    | 23    | 23           | --    | 23    |
| GS-4                           | 27           | --    | 27    | 31           | --    | 31    | 31           | --    | 31    |
| GS-3                           | 6            | --    | 6     | 6            | --    | 6     | 6            | --    | 6     |
| GS-2                           | 5            | --    | 5     | 5            | --    | 5     | 5            | --    | 5     |
| GS-1                           | --           | --    | --    | --           | --    | --    | --           | --    | --    |
| Ungraded Positions             | 2            | --    | 2     | 2            | --    | 2     | 2            | --    | 2     |
| Total Permanent Positions..... | 414          | 114   | 528   | 415          | 125   | 540   | 406          | 125   | 531   |
| Staff-Years:                   |              |       |       |              |       |       |              |       |       |
| Ceiling.....                   | 422          | 111   | 533   | 415          | 125   | 540   | 406          | 125   | 531   |
| Non-Ceiling.....               | --           | --    | --    | --           | --    | --    | --           | --    | --    |
| TOTAL                          | 422          | 111   | 533   | 415          | 125   | 540   | 406          | 125   | 531   |

## RURAL ELECTRIFICATION ADMINISTRATION

Classification by Objects1989 and Estimated 1990 and 1991

|                                               | <u>1989</u>          | <u>1990</u>          | <u>1991</u>       |
|-----------------------------------------------|----------------------|----------------------|-------------------|
| Personnel Compensation:                       |                      |                      |                   |
| Headquarters.....                             | \$15,449,137         | \$15,757,000         | \$15,903,000      |
| Field.....                                    | <u>5,672,777</u>     | <u>6,388,000</u>     | <u>6,472,000</u>  |
| Total personnel compensation.....             | 21,121,914           | 22,145,000           | 22,375,000        |
| 12 Personnel benefits.....                    | 3,302,525            | 3,543,000            | 3,826,000         |
| 13 Benefits to Former Personnel.....          | <u>9,145</u>         | <u>11,000</u>        | <u>12,000</u>     |
| Total, Personnel Compensation and Benefits..  | <u>24,433,584</u>    | <u>25,699,000</u>    | <u>26,213,000</u> |
| Other Objects:                                |                      |                      |                   |
| 21 Travel.....                                | 1,919,603            | 1,780,000            | 1,934,000         |
| 22 Transportation of things.....              | 34,555               | 40,000               | 86,000            |
| 23.3 Communications, Utilities and Other Rent | 874,697              | 886,000              | 1,098,000         |
| 24 Printing and reproduction.....             | 315,353              | 320,000              | 352,000           |
| 25 Other services.....                        | 1,785,293            | 1,509,000            | 2,190,000         |
| 26 Supplies and materials.                    | 427,087              | 457,000              | 531,000           |
| 31 Equipment.....                             | 955,961              | 627,000              | 651,000           |
| 42 Insurance claims.....                      | 178                  | --                   | --                |
| 43 Interest and dividends                     | <u>248</u>           | <u>--</u>            | <u>--</u>         |
| Total, Other Objects...                       | <u>6,312,975</u>     | <u>5,619,000</u>     | <u>6,842,000</u>  |
| Total, Direct Obligations..                   | <u>30,746,559</u> a/ | <u>31,318,000</u> b/ | <u>33,055,000</u> |

Position Data:

|                                   |          |          |          |
|-----------------------------------|----------|----------|----------|
| Average Salary, ES positions..... | \$76,575 | \$78,429 | \$91,798 |
| Average Salary, GS positions..... | \$39,713 | \$40,589 | \$41,570 |
| Average Grade, GS positions.....  | 10.64    | 10.63    | 10.59    |

a/ Actual obligations include Salaries and Benefits of \$56,069 and \$1,184 in travel expenses for Office of the Administrator.

b/ Estimated obligations include Salaries and Benefits of \$174,000 and travel expenses of \$20,000 for Office of the Administrator.

## RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (deleted matter enclosed in brackets; new material underscored):

1 Rural Electrification and Telephone Revolving Fund [Loan Authorizations]

- 2 Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made [as follows:] for rural electrification loans, [not less than \$622,050,000 nor more than \$933,075,000; and rural telephone loans, not less than \$239,250,000 nor more than \$311,025,000; to remain available until expended: Provided, that loans pursuant to section 306 of that Act are in addition to these amounts but during 1990 total commitments to guarantee loans pursuant to section 306 shall be not less than \$933,075,000 nor more than \$2,100,165,000 of contingent liability for total loan principal: Provided further,] \$200,000,000: Provided, That as
- 3 a condition of approval of insured electric loans during fiscal year [1990] 1991, borrowers shall obtain concurrent supplemental financing in
- 4 accordance with the applicable criteria and ratios in effect as of July 15, 1982 [: Provided further, That no funds appropriated in this Act may be used to deny or reduce loans or loan advances based upon a borrower's level of general funds].

The first change eliminates Loan Authorizations from the account title.

The second change eliminates the range for rural electric loans and establishes the loan program at \$200,000,000. The change also deletes the language authorizing insured telephone loans and guarantee of FFB loans. The Administration will propose legislation to provide a 90-percent REA guarantee of power supply loans and a 70-percent guarantee of electric distribution loans made by the private sector. All telephone loans will be shifted to the Rural Telephone Bank.

The third change updates the fiscal year designation.

The fourth change deletes the language which prohibits consideration of a borrower's level of general funds in making loans and advances.

DEPARTMENTAL OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and Telephone Revolving Fund

Loan Authorizations - Current Law

|                                | <u>Loan<br/>Authorization</u> |
|--------------------------------|-------------------------------|
| <u>Electrification Loans:</u>  |                               |
| Insured Loan, RETRF:           |                               |
| Appropriation Act, 1990 .....  | \$622,050,000                 |
| Budget Estimate, 1991 a/ ..... | 200,000,000                   |
| Change .....                   | <u>-422,050,000</u>           |
| Insured Loans, FFB             |                               |
| Appropriation Act, 1990 .....  | 813,450,000                   |
| Budget Estimate, 1991 a/ ..... | --                            |
| Change .....                   | <u>-813,450,000</u>           |
| Decrease From 1990 .....       | <u>-1,235,500,000</u>         |
| <u>Telephone Loans:</u>        |                               |
| Insured Loans, RETRF:          |                               |
| Appropriation Act, 1990 .....  | 239,250,000                   |
| Budget Estimate, 1991 a/ ..... | --                            |
| Change .....                   | <u>-239,250,000</u>           |
| Insured Loans, FFB             |                               |
| Appropriation Act, 1990 .....  | 119,625,000                   |
| Budget Estimate, 1991 a/ ..... | --                            |
| Change .....                   | <u>-119,625,000</u>           |
| Decrease From 1990 .....       | <u>-358,875,000</u>           |
| Total Decrease, RETRF .....    | <u>-1,594,375,000</u>         |

a/ These estimates do not reflect legislation proposed for later transmittal to provide 90-percent REA guarantees of power supply loan and 70-percent guarantees of electric distribution loans made by the private sector. Insured electric loans will be gradually phased out. All telephone loans will be shifted to the Rural Telephone Bank.

Legislative will also be proposal to allow a guarantee origination fee of 1 percent to be charged on loan guarantee commitments. The fees will be deposited in the revolving fund and used to offset administrative and default costs. The fee will increase by one-half of 1 percent each year through 1995, reaching 3 percent in 1995.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND -  
PROPOSED LEGISLATION

|                                                   |                      |
|---------------------------------------------------|----------------------|
| Budget Estimate, Current Law, 1991.....           | \$200,000,000        |
| Changes due to proposed legislation.....          | +1,100,000,000       |
| Net Request, President's 1991 Budget Request..... | <u>1,300,000,000</u> |



SUMMARY OF INCREASES AND DECREASES - CURRENT LAW  
(On basis of loan authorizations)

| <u>Item of Change</u>          | <u>1990<br/>Estimated</u> | <u>Change</u>         | <u>1991<br/>Estimated</u> |
|--------------------------------|---------------------------|-----------------------|---------------------------|
| Rural Electrification Program: |                           |                       |                           |
| Insured Loans, RETRF.....      | \$622,050,000             | -\$422,050,000        | \$200,000,000             |
| Insured Loans, FFB.....        | 813,450,000               | -813,450,000          | --                        |
| Total .....                    | <u>1,435,500,000</u>      | <u>-1,235,500,000</u> | <u>200,000,000</u>        |
| Rural Telephone Program:       |                           |                       |                           |
| Insured Loans, RETRF.....      | 239,250,000               | -239,250,000          | --                        |
| Insured Loans, FFB.....        | 119,625,000               | -119,625,000          | --                        |
| Total .....                    | <u>358,875,000</u>        | <u>-358,875,000</u>   | <u>--</u>                 |
| TOTAL, LOAN AUTHORIZATION .... | <u>1,794,375,000</u>      | <u>-1,594,375,000</u> | <u>200,000,000</u>        |

PROJECT STATEMENT - CURRENT LAW  
(On basis of loan authorizations)

| <u>Project</u>      | <u>1989 Actual</u>  | <u>1990 Estimated</u> | <u>Decrease</u>       | <u>1991 Estimated</u> |
|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| 1. Rural Electrifi- | :                   | :                     | :                     | :                     |
| cation Loans:       | :                   | :                     | :                     | :                     |
| Insured Loans,      | :                   | :                     | :                     | :                     |
| RETRF.....          | \$622,050,000:      | \$622,050,000:        | -\$422,050,000(1):    | \$200,000,000         |
| Insured Loans,      | :                   | :                     | :                     | :                     |
| FFB.....            | 39,502,000:         | 813,450,000:          | -813,450,000(2):      | --                    |
| Total .....         | <u>661,552,000:</u> | <u>1,435,500,000:</u> | <u>-1,235,500,000</u> | <u>200,000,000</u>    |
| 2. Rural Telephone  | :                   | :                     | :                     | :                     |
| Loans:              | :                   | :                     | :                     | :                     |
| Insured Loans,      | :                   | :                     | :                     | :                     |
| RETRF.....          | 214,149,000:        | 239,250,000:          | -239,250,000(3):      | --                    |
| Insured Loans,      | :                   | :                     | :                     | :                     |
| FFB.....            | --:                 | 119,625,000:          | -119,625,000(4):      | --                    |
| Total .....         | <u>214,149,000:</u> | <u>358,875,000:</u>   | <u>-358,875,000</u>   | <u>--</u>             |
| Total estimated     | :                   | :                     | :                     | :                     |
| obligations....     | 875,701,000:        | 1,794,375,000:        | -1,594,375,000        | 200,000,000           |

EXPLANATION OF ELECTRIC AND TELEPHONE LOAN PROGRAM

The loan authorizations of the Rural Electrification Administration are used to carry out the provisions of the Rural Electrification Act of 1936, as amended. The objectives of the program are to provide low-interest loans to borrowers that produce and distribute electricity and provide telephone service. REA administers the rural electrification program, which provides loans to borrowers that distribute electricity to farms and other retail users; and the rural telephone program, which furnishes and improves telephone service in rural areas.

Electrification Program Statistics  
(Dollars in thousands)

|                                    | Cumulative<br>Thru<br>FY 1989<br><u>Actual</u> | <u>Cumulative Estimates</u><br>FY 1990      FY 1991 |              |
|------------------------------------|------------------------------------------------|-----------------------------------------------------|--------------|
| REA financed loans.....            | \$20,991,326                                   | \$21,613,376                                        | \$21,813,376 |
| REA funds advanced.....            | 19,577,377                                     | 20,212,377                                          | 20,748,377   |
| REA unadvanced funds, end of year. | 1,413,949                                      | 1,400,999                                           | 1,064,999    |
| REA principal repaid.....          | 7,504,550                                      | 7,882,973                                           | 8,270,814    |
| REA interest paid.....             | 6,471,859                                      | 6,970,977                                           | 7,489,148    |
| FFB financed loans.....            | 29,704,658                                     | 30,518,108                                          | 30,518,108   |
| Consumers served-calendar          |                                                |                                                     |              |
| year (thousand-estimated) 1/...    | 11,975                                         | 12,152                                              | 12,329       |
| Miles energized-calendar           |                                                |                                                     |              |
| year (thousand-estimated) 1/...    | 2,165                                          | 2,180                                               | 2,195        |
| Number of borrowers.....           | 963                                            | 963                                                 | 963          |

Telephone Program Statistics  
(Dollars in thousands)

|                                       | Cumulative<br>Thru<br>FY 1989<br><u>Actual</u> | <u>Cumulative Estimates</u><br>FY 1990      FY 1991 |             |
|---------------------------------------|------------------------------------------------|-----------------------------------------------------|-------------|
| REA financed loans.....               | \$5,721,580                                    | \$5,960,830                                         | \$5,960,830 |
| REA funds advanced .....              | 4,832,431                                      | 5,049,431                                           | 5,257,431   |
| REA unadvanced funds, end of year.... | 889,150                                        | 911,399                                             | 703,399     |
| REA principal repaid .....            | 1,655,451                                      | 1,783,328                                           | 1,914,387   |
| REA interest paid .....               | 1,402,144                                      | 1,518,626                                           | 1,639,555   |
| FFB financed loans.....               | 581,883                                        | 701,508                                             | 701,508     |
| Route miles of line constructed       |                                                |                                                     |             |
| or improved-(thousand-estimated) 2/   | 912                                            | 928                                                 | 944         |
| Dial subscribers, new and             |                                                |                                                     |             |
| improved service-calendar year        |                                                |                                                     |             |
| (thousands-estimated) 2/.....         | 5,211                                          | 5,326                                               | 5,441       |
| Number of borrowers.....              | 962                                            | 962                                                 | 962         |

1/ Data represents accomplishments from all sources of funds.

2/ Data represents accomplishments from borrowers financed 20% or more by REA, RTB, and guaranteed loans.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$422,050,000 in insured electric loans from the RETRF (\$622,050,000 available in 1990).

Need for Change. Many REA borrowers are financially secure and can borrow in private-credit markets to meet their capital needs.

Nature of Change. The Administration proposes to shift to a guarantee of private-sector loans with a 70-percent guarantee of electric distribution loans. Insured electric loans will be gradually phased out.

- (2) A decrease of \$813,450,000 in FFB financed direct electric loans guaranteed by REA (\$813,450,000 available in 1990).

Need for Change. This decrease will reduce Federal involvement in general credit activities and shift financially secure borrowers to the private sector.

Nature of Change. The level of FFB financed direct electric loans guaranteed by REA is reduced to reflect the Administration's proposal to guarantee 90 percent of private-sector loans for power supply.

- (3) A decrease of \$239,250,000 in insured telephone loans from the RETRF (\$239,250,000 available in 1990).

Need for Change. Many telephone borrowers have excellent credit ratings and can obtain private-sector financing. Some borrowers are subsidiaries of large holding companies which are well established and financially secure.

Nature of Change. The Administration proposes to shift all telephone loans to the Rural Telephone Bank.

- (4) A decrease of \$119,625,000 in FFB financed direct telephone loans guaranteed by REA (\$119,625,000 available in 1990).

Need for Change. This decrease will reduce Federal involvement in general credit activities and shift financially secure borrowers to the private sector.

Nature of Change. The level of FFB financed direct telephone loans guaranteed by REA is reduced to reflect the Administration's proposal to shift all telephone loans to the Rural Telephone Bank.

#### SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

| <u>Item of Change</u>                 | 1991                      |                              |                             |
|---------------------------------------|---------------------------|------------------------------|-----------------------------|
|                                       | <u>Current Law</u>        | <u>Program Change</u>        | <u>President's Request</u>  |
| <b>Rural Electrification Program:</b> |                           |                              |                             |
| Insured loans, RETRF.....             | \$200,000,000             | --                           | \$200,000,000               |
| Insured loans, FFB .....              | --                        | --                           | --                          |
| Guaranteed private-sector loans:      |                           |                              |                             |
| Electric Distribution.....            | --                        | +\$400,000,000               | 400,000,000                 |
| Power Supply.....                     | --                        | + 700,000,000                | 700,000,000                 |
| Total.....                            | <u>200,000,000</u>        | <u>+1,100,000,000</u>        | <u>1,300,000,000</u>        |
| <b>Rural Telephone Program:</b>       |                           |                              |                             |
| Insured loans, RETRF.....             | --                        | --                           | --                          |
| Insured loans, FFB.....               | --                        | --                           | --                          |
| Guarantee private-sector loans.....   | --                        | --                           | --                          |
| Total .....                           | <u>--</u>                 | <u>--</u>                    | <u>--</u>                   |
| <b>Total, loans .....</b>             | <u><b>200,000,000</b></u> | <u><b>+1,100,000,000</b></u> | <u><b>1,300,000,000</b></u> |

EXPLANATION OF PROPOSED LEGISLATION

The Rural Electrification Administration has been providing a 100 percent guarantee of FFB loans to electric and telephone borrowers. This proposal will gradually phase out insured electric loans and shift to REA guarantee of private-sector loans. REA guarantee commitment would be reduced to 90 percent of power supply loans and 70 percent for electric distribution loans. All telephone loans will be shifted to the Rural Telephone Bank.

This proposal would provide REA borrowers access to private-sector credit sources through guarantees and permit the Government to reduce its involvement as a direct source of credit.

In addition, the Budget proposes that a guarantee origination fee of 1 percent be charged on loan guarantee commitments and deposited into the revolving fund to offset administrative and default costs. The fee will increase by one-half of 1 percent each year through 1995, reaching 3 percent in 1995.

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

Number and Amount of REA Electrification and  
Telephone Loans by State, Fiscal Year 1989

| <u>INSURED LOANS</u>    | <u>ELECTRIC</u> |               | <u>TELEPHONE</u> |               |
|-------------------------|-----------------|---------------|------------------|---------------|
|                         | <u>NO.</u>      | <u>Amount</u> | <u>No.</u>       | <u>Amount</u> |
| UNITED STATES           | 176             | \$622,050,000 | 61               | \$214,149,000 |
| Alabama                 | 4               | 10,842,000    | 4                | 21,712,000    |
| Arizona                 | 3               | 18,327,000    | 1                | 3,085,000     |
| Arkansas                | 5               | 41,925,000    | 1                | 4,000,000     |
| Colorado                | 3               | 14,326,000    | 1                | 373,000       |
| Florida                 | 5               | 38,719,000    |                  |               |
| Georgia                 | 16              | 88,008,000    | 1                | 2,586,000     |
| Idaho                   |                 |               | 2                | 1,759,000     |
| Illinois                | 3               | 6,797,000     | 1                | 1,636,000     |
| Indiana                 | 3               | 3,163,000     | 1                | 880,000       |
| Iowa                    | 3               | 3,331,000     | 4                | 3,475,000     |
| Kansas                  | 4               | 4,530,000     | 4                | 3,657,000     |
| Kentucky                | 9               | 31,301,000    |                  |               |
| Louisiana               | 1               | 1,610,000     | 2                | 5,886,000     |
| Maine                   | 3               | 878,000       | 1                | 385,000       |
| Maryland                | 1               | 16,806,000    |                  |               |
| Michigan                | 6               | 26,889,000    | 2                | 6,657,000     |
| Minnesota               | 8               | 28,770,000    | 7                | 13,481,000    |
| Mississippi             | 4               | 13,342,000    | 1                | 613,000       |
| Missouri                | 12              | 24,961,000    | 3                | 22,392,000    |
| Montana                 | 3               | 5,870,000     |                  |               |
| Nebraska                | 2               | 1,800,000     | 1                | 4,485,000     |
| Nevada                  | 1               | 5,393,000     |                  |               |
| New Hampshire           |                 |               | 2                | 3,180,000     |
| New Mexico              | 2               | 7,787,000     | 1                | 4,625,000     |
| New York                |                 |               | 1                | 869,000       |
| North Carolina          | 12              | 51,713,000    | 2                | 5,739,000     |
| North Dakota            | 5               | 13,384,000    |                  |               |
| Ohio                    | 7               | 8,918,000     |                  |               |
| Oklahoma                | 4               | 7,924,000     | 3                | 6,469,000     |
| Oregon                  | 4               | 4,878,000     |                  |               |
| Pennsylvania            | 5               | 12,653,000    | 2                | 4,010,000     |
| South Carolina          | 7               | 32,243,000    |                  |               |
| South Dakota            | 7               | 8,621,000     | 3                | 5,433,000     |
| Tennessee               | 2               | 5,681,000     |                  |               |
| Texas                   | 11              | 43,516,000    | 3                | 11,144,000    |
| Virginia                | 3               | 22,960,000    | 1                | 4,729,000     |
| Virgin Island           |                 |               | 1                | 66,214,000    |
| Washington              | 1               | 2,725,000     | 1                | 1,111,000     |
| West Virginia           |                 |               | 1                | 120,000       |
| Wisconsin               | 7               | 11,459,000    | 3                | 3,444,000     |
| <u>GUARANTEED LOANS</u> | <u>ELECTRIC</u> |               | <u>TELEPHONE</u> |               |
|                         | <u>No</u>       | <u>Amount</u> | <u>No</u>        | <u>Amount</u> |
| UNITED STATES           | 3               | \$39,502,000  | --               | --            |
| Michigan                | 1               | 6,651,000     |                  |               |
| Missouri                | 1               | 2,457,000     |                  |               |
| Wisconsin               | 1               | 30,394,000    |                  |               |



RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this items as follows (deleted matter enclosed in brackets; new material underscored):

[Reimbursement to the Rural Electrification and Telephone Revolving Fund]

[For an additional amount to reimburse the rural electrification and telephone revolving fund for interest subsidies and losses substained in prior years, but not previously reimbursed in carrying out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), \$244,100,000.]

The change deletes the language authorizing reimbursement to the Rural Electrification and Telephone Revolving Fund for interest subsidies and losses. Since no appropriation is requested in fiscal year 1991, retention of the language is unnecessary.

DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and Telephone Revolving Fund

Reimbursement for Interest Subsidies and Losses

|                                |                     |
|--------------------------------|---------------------|
| Appropriation Act, 1990.....   | \$244,100,000       |
| Budget Estimate, 1991.....     | --                  |
| Decrease in Appropriation..... | <u>-244,100,000</u> |

|                                               |                   |                     |
|-----------------------------------------------|-------------------|---------------------|
| Adjustment in 1990                            |                   |                     |
| Appropriation Act, 1990.....                  | \$244,100,000     |                     |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177) | <u>-3,343,000</u> |                     |
| Adjusted Base for 1990.....                   |                   | 240,757,000         |
| Budget estimate, 1991.....                    |                   | --                  |
| Decrease from adjusted 1990.....              |                   | <u>-240,757,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(On basis of adjusted appropriation)

| <u>Item of Change</u>                                                       | <u>1990<br/>Estimated</u> | <u>Changes</u>      | <u>1991<br/>Estimated</u> |
|-----------------------------------------------------------------------------|---------------------------|---------------------|---------------------------|
| Reimbursement to the revolving<br>fund for interest subsidies<br>and losses | <u>\$240,757,000</u>      | <u>-240,757,000</u> | <u>--</u>                 |

PROJECT STATEMENT  
(On basis of appropriation)

| <u>Project</u>         | <u>:1989 Actual :</u> | <u>1990 Estimated :</u> | <u>Decrease :</u> | <u>:1991 Estimated</u> |
|------------------------|-----------------------|-------------------------|-------------------|------------------------|
| Reimbursement to       | :                     | :                       | :                 | :                      |
| the revolving fund :   | :                     | :                       | :                 | :                      |
| for interest subsi-    | :                     | :                       | :                 | :                      |
| dies and losses...     | :\$341,000,000:       | \$240,757,000           | :-\$240,757,000:  | --                     |
| Total, Adjusted        | :                     | :                       | :                 | :                      |
| Appropriation.....     | : 341,000,000:        | 240,757,000             | :-\$240,757,000:  | --                     |
| Gramm-Rudman-          | :                     | :                       | :                 | :                      |
| Hollings Reduction :   | : -- :                | 3,343,000               | :                 | :                      |
| Total, Appropriation : | : 341,000,000:        | 244,100,000             | :                 | :                      |

EXPLANATION OF PROGRAM

This account reimburses the Rural Electrification and Telephone Revolving Fund for interest subsidies and losses resulting from defaults incurred by the revolving fund.

JUSTIFICATION OF INCREASES AND DECREASES

A decrease of \$240,757,000 in reimbursement to the rural electrification and telephone revolving fund for interest subsidies and losses.

Need for Change. Additional reimbursement is not needed at this time. The fund is exempt by the Rural Electrification Act of 1936, as amended, from paying annual interest costs owed to the Treasury on advances totaling \$7.9 billion.

Nature of Change - No appropriation is requested in FY 1991 for reimbursement to the revolving fund for interest subsidies and losses.

## RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (deleted matter enclosed in brackets, new material underscored):

[Rural Economic Development Subaccount]

[For grants and loans authorized under section 313 of the Rural Electrification Act for the purpose of promoting rural economic development and job creation projects, \$5,000,000, to remain available until expended: Provided, that this amount will be in addition to any amounts generated by the interest differential on voluntary cushion of credit payments made by REA borrowers.]

This change deletes the language authorizing appropriations to the Rural Economic Development Subaccount. Loans and grants will be made with funds generated by the interest differential on voluntary cushion of credit payments made by REA borrowers. No appropriation is requested in fiscal year 1991.

DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and Telephone Revolving Fund

Rural Economic Development Subaccount

|                                          |                   |
|------------------------------------------|-------------------|
| Appropriation Act, 1990 .....            | \$5,000,000       |
| Budget Estimate, Current Law, 1991 ..... | --                |
| Decrease in Appropriation.....           | <u>-5,000,000</u> |

|                                                    |                   |
|----------------------------------------------------|-------------------|
| Adjustment in 1990                                 |                   |
| Appropriation Act, 1990.....                       | \$5,000,000       |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | <u>-8,000</u>     |
| Adjusted Base for 1990.....                        | 4,992,000         |
| Budget estimate, 1991.....                         | --                |
| Decrease from adjusted 1990.....                   | <u>-4,992,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(On basis of adjusted appropriation)

| <u>Item of Change</u> | <u>1990<br/>Estimated</u> | <u>Changes</u>      | <u>1991<br/>Estimated</u> |
|-----------------------|---------------------------|---------------------|---------------------------|
| Loans and Grants      | <u>\$4,992,000</u>        | <u>-\$4,992,000</u> | <u>--</u>                 |

PROJECT STATEMENT  
(On basis of appropriation)

| <u>Project</u>         | <u>:1989 Actual:</u> | <u>1990 Estimated :</u> | <u>Decrease :</u> | <u>1991 Estimated</u> |
|------------------------|----------------------|-------------------------|-------------------|-----------------------|
| 1. Appropriations      | :                    | :                       | :                 | :                     |
| for Loans and          | :                    | :                       | :                 | :                     |
| Grants.....            | \$540,000            | \$4,992,000             | -\$4,992,000:     | --                    |
| Total, Adjusted        | :                    | :                       | :                 | :                     |
| Appropriation          | 540,000              | 4,992,000               | -4,992,000:       | --                    |
| Gramm-Rudman- Hollings | :                    | :                       | :                 | :                     |
| Reduction              | --                   | +8,000                  | :                 | :                     |
| Total, Appropriation   | 540,000              | 5,000,000               | :                 | :                     |

Pursuant to section 313 of the Rural Electrification Act, this subaccount was credited with an amount generated by the interest differential on voluntary cushion of credit payments made by REA borrowers. The estimated credit for FY 1990 is \$985,000 and \$1,050,000 for FY 1991.

**PROJECT STATEMENT**  
(on basis of available funds)

| Project                                                | : 1989 Actual | : 1990 Estimated | : Increase or:<br>: Decrease | : 1991 Estimated |
|--------------------------------------------------------|---------------|------------------|------------------------------|------------------|
| 1. Loans .....                                         | \$1,869,200   | \$5,417,431      | -\$4,078,064                 | \$1,339,367      |
| 2. Grants .....                                        | --            | 601,937          | -453,118                     | 148,819          |
| Total obligations ..                                   | 1,869,200     | 6,019,368        | -4,531,182                   | 1,488,186        |
| Unobligated balance,<br>start of year .....            | -403,991      | -101,850         | -61,477                      | -163,327         |
| Unobligated balance,<br>end of year .....              | --            | 163,327          | +70,472                      | 233,799          |
| Total, available or<br>estimated .....                 | 1,567,059     | 6,080,845        | -4,522,187                   | 1,558,658        |
| Accrued Interest<br>Differential &<br>Repayments ..... | -1,027,059    | -1,088,845       | -469,813                     | -1,558,658       |
| Total, Appropriation:                                  | 540,000       | 4,992,000        | -4,992,000                   | --               |

**EXPLANATION OF PROGRAM**

This subaccount provides funds for loans and grants authorized under section 313 of the Rural Electrification Act of 1936, as amended, for the purpose of promoting rural economic development and job creation projects.

**JUSTIFICATION OF INCREASES AND DECREASES**

A decrease of \$4,992,000 in appropriated funds for the Rural Economic Development Subaccount.

Need for Change. Earnings generated by the interest differential on voluntary cushion of credit payments made by REA borrowers will provide funds to meet the needs of the program.

Nature of Change. No appropriation is requested in FY 1991. Interest earned on cushion of credit payments made by REA borrowers will be utilized for zero-interest loans and grants.



## RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Telephone Bank

- The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by Section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current
- 1 fiscal year. During [1990] 1991, and within the resources and authority available, gross obligations for the principal amount of direct loans
  - 2 shall be not [less than \$177,045,000 nor] more than [\$210,540,000] \$125,000,000.

The first change updates the fiscal year designation of the limitation on new loans.

The second change eliminates the range for the loan program and establishes the maximum loan program at \$125,000,000.

DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

Rural Telephone Bank - Current Law

|                               |                          | Loan<br>Authorization                                  |
|-------------------------------|--------------------------|--------------------------------------------------------|
| Appropriation Act, 1990 ..... |                          | \$177,045,000                                          |
| Budget Estimate, 1991 .....   |                          | <u>125,000,000</u>                                     |
| Change .....                  |                          | <u>- 52,045,000</u>                                    |
|                               | Estimated<br>Obligations | Other<br>Authorizations<br>(Borrowing<br>Authority) a/ |
| Appropriation Act, 1990 ..... | \$236,405,000            | \$71,082,000                                           |
| Budget Estimate, 1991 .....   | <u>188,394,000</u>       | <u>42,666,000</u>                                      |
| Change .....                  | <u>-48,011,000</u>       | <u>-28,416,000</u>                                     |

a/ Reflects estimated borrowing authority encumbered.

RURAL TELEPHONE BANK - PROPOSED LEGISLATION

|                                                   |                     |
|---------------------------------------------------|---------------------|
| Budget Estimate, Current Law, 1991.....           | \$125,000,000       |
| Change due to proposed legislation.....           | <u>+200,000,000</u> |
| Net Request, President's 1991 Budget Request..... | <u>325,000,000</u>  |

SUMMARY OF INCREASES AND DECREASES  
(On basis of obligations)

|                              | 1990<br>Estimate   | Program<br>Changes | 1991<br>Estimate   |
|------------------------------|--------------------|--------------------|--------------------|
| Operating Cost:              |                    |                    |                    |
| Administrative expenses..... | \$69,000           | +\$4,000           | \$73,000           |
| Interest expense .....       | 58,591,000         | +3,980,000         | 62,571,000         |
| Dividends.....               | 700,000            | +50,000            | 750,000            |
| Loan authority.....          | 177,045,000        | -52,045,000        | 125,000,000        |
| Total available.....         | <u>236,405,000</u> | <u>-48,011,000</u> | <u>188,394,000</u> |

PROJECT STATEMENT - CURRENT LAW  
(On basis of obligations)

|                                 | 1989<br>Actual     | 1990<br>Estimated  | Increase or<br>Decrease | 1991<br>Estimated  |
|---------------------------------|--------------------|--------------------|-------------------------|--------------------|
| 1. Operating Costs:             |                    |                    |                         |                    |
| (a) Administrative Expense..... | \$518,667          | \$69,000           | +\$4,000(1)             | \$73,000           |
| (b) Interest expense:           | 58,591,000         | 58,591,000         | +3,980,000(2)           | 62,571,000         |
| 2. Dividends.....               | 576,895            | 700,000            | +50,000(3)              | 750,000            |
| 3. Loans.....                   | 177,044,700        | 177,045,000        | -52,045,000(4)          | 125,000,000        |
| Total obligations.....          | <u>234,930,841</u> | <u>236,405,000</u> | <u>-48,011,000</u>      | <u>188,394,000</u> |

## -EXPLANATION OF RURAL TELEPHONE BANK PROGRAM

Public Law 92-12, approved May 7, 1971, amended the Rural Electrification Act of 1936, as amended, to establish the Rural Telephone Bank as a supplemental source of financing the Rural Telephone Program. The act, as amended, permits the Secretary of the Treasury to purchase the Bank's debentures. This reduces RTB borrower costs. Public Law 93-32, approved May 11, 1973, further amended the Act to increase the Bank's borrowing authority from eight to twenty times its paid-in-capital and retained earnings. The Bank charges an interim rate from date of advance until the end of the fiscal year of the average yield on outstanding marketable obligations of the United States with comparable maturity of the approved advance. After the first year, a complex formula for computing the Bank's lending rate applies, but not less than 5 percent per annum.

Borrowing Authority

Equity capital of the Bank consists of Class A stock, bearing a 2 percent dividend, purchased by the United States Government; Class B and C stock purchased by Bank borrowers, organizations eligible to become borrowers, organizations controlled by borrowers; and retained earnings. The maximum borrowing authority of the Bank is limited to 20 times its paid-in-capital and retained earnings. Total borrowing authority available to the Bank in 1989 was \$1.5 billion. In 1990, available borrowing authority is estimated at \$1.6 billion.

Highlights of Operation

The Rural Telephone Bank made 28 loans totaling \$177,044,700 in fiscal year 1989. Since its inception, the Bank has made loans totaling \$2,525,809,488 to 600 borrowers.

The Bank's net income from October 1, 1988, to September 30, 1989, amounted to \$52,226,378, after making provision for a return of \$10,554,868 on Class A stock held by the government, a balance of \$41,671,510 was available for patronage refunds, dividends, and retained earnings. Assets of the Bank totaled \$1,676,730,924 as of September 30, 1989, and liabilities were \$773,236,332. The Bank has invested some of the proceeds from the sale of Class B and C stock in United States securities; interest on these investments amounted to \$57,071.

Program Statistics  
(Dollars in thousands)

|                                       | <u>FY 1989</u><br><u>Actual</u> | <u>FY 1990</u><br><u>Estimate</u> | <u>FY 1991</u><br><u>Estimate</u> |
|---------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Cumulative net loans.....             | \$2,525,810                     | \$2,702,855                       | \$2,827,855                       |
| Cumulative loan funds, advanced.....  | 1,816,457                       | 1,936,457                         | 2,060,457                         |
| Unadvanced loan funds, end of year... | 709,353                         | 766,398                           | 767,398                           |
| Cumulative principal repaid.....      | 331,354                         | 357,751                           | 386,632                           |
| Cumulative interest paid.....         | 1,093,174                       | 1,208,575                         | 1,330,402                         |
| Number of borrowers.....              | 600                             | 600                               | 600                               |

## JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$4,000 for administrative expense (\$69,000 available in 1990).

Need for change. An increase of \$4,000 in administrative support costs needed to sustain general operations of the Bank.

Nature of change. Certain administrative expenses, such as Directors' fees and travel, supplies, postage, and miscellaneous expenses are estimated to increase in fiscal year 1991.

- (2) An increase of \$3,980,000 in interest payments to Treasury by the Rural Telephone Bank (\$58,591,000 available in 1990).

Need for change. The increase of \$3,980,000 is necessary because cash balances on deposit with the U.S. Treasury are estimated to decrease and reduce the amount of earned interest credit. Interest expense on Treasury borrowings will increase due to the reduced credit earnings.

Nature of change. Interest expense will increase because of reduced cash balances which will decrease interest earned on these balances.

- (3) An increase of \$50,000 in dividends payable (\$700,000 available in 1990).

Need for change. An increase of \$50,000 for dividends payable to stockholders of Class C Stock of the Rural Telephone Bank.

Nature of change. Class C stockholders are entitled to dividends, payable from the Bank's operating income.

- (4) A decrease of \$52,045,000 in loans (\$177,045,000 available in 1990).

Need for change. A program reduction of \$52,045,000 is proposed because the REA telephone borrowers have the financial capability to borrow from private financial institutions. Telephone service is readily available in the rural areas at reasonable cost to the consumer.

Nature of change. The level of direct Rural Telephone Bank loans will be reduced. Most RTB borrowers are able to qualify for loans at rates greater than 5 percent. Under a new program, REA will offer a 70-percent guarantee of telephone financing obtained from private credit markets.

SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

| <u>Item of Change</u>                | 1991                 |                        |                            |
|--------------------------------------|----------------------|------------------------|----------------------------|
|                                      | <u>Current Law</u>   | <u>Program Changes</u> | <u>President's Request</u> |
| Rural Telephone Bank:                |                      |                        |                            |
| Direct Loans.....                    | \$125,000,000        | --                     | \$125,000,000              |
| Guaranteed private-sector loans..... | --                   | +\$200,000,000         | 200,000,000                |
| Total.....                           | <u>\$125,000,000</u> | <u>\$200,000,000</u>   | <u>\$325,000,000</u>       |

## EXPLANATION OF PROPOSED LEGISLATION

The Fiscal Year 1991 Budget proposal will allow rural telephone systems with an average subscriber density of three or fewer per mile access to obtain financing from the Rural Telephone Bank. Legislation will be proposed to change RTB interest rates such that the net charge to borrowers equals yields on Treasury rates of comparable maturity.

Proposed legislation will allow the Rural Telephone Bank to offer a 70-percent guarantee of privately-originated telephone loans. The proposal includes a loan origination fee of 1 percent on guaranteed loan commitments for deposit into the Bank to offset administrative costs and loan defaults. The upfront fee will increase by one-half of 1 percent each year, reaching 3 percent in 1995.



## RURAL TELEPHONE BANK

Budget Authority, Obligations and Balances  
(Dollars in thousands)

|                                            | <u>FY 1989<br/>Actual</u> | <u>FY 1990<br/>Estimate</u> | <u>FY 1991<br/>Estimate</u> |
|--------------------------------------------|---------------------------|-----------------------------|-----------------------------|
| Budget Authority:                          |                           |                             |                             |
| Borrowing Authority (P&F<br>Schedule)..... | \$77,355                  | \$71,082                    | \$42,666                    |
| Other Funds Available.....                 | 168,131                   | 176,590                     | 156,995                     |
| Less: Return on Class A stock....          | <u>-10,555</u>            | <u>-11,267</u>              | <u>-11,267</u>              |
| Total budgetary resources.....             | <u>234,931</u>            | <u>236,405</u>              | <u>188,394</u>              |
| Obligations:                               |                           |                             |                             |
| Loans approved.....                        | 177,045                   | 177,045                     | 125,000                     |
| Expenses and C stock dividends..           | <u>57,886</u>             | <u>59,360</u>               | <u>63,394</u>               |
| Total.....                                 | <u>234,931</u>            | <u>236,405</u>              | <u>188,394</u>              |

Limitation on Authority to Borrow  
(Dollars in thousands)

|                                                  | <u>FY 1989<br/>Actual</u> | <u>FY 1990<br/>Estimate</u> | <u>FY 1991<br/>Estimate</u> |
|--------------------------------------------------|---------------------------|-----------------------------|-----------------------------|
| A Stock.....                                     | \$28,710                  | \$28,710                    | --                          |
| B Stock.....                                     | 126,398                   | 47,094                      | \$50,264                    |
| C Stock.....                                     | 2,575                     | 25                          | 30                          |
| Retained earnings.....                           | <u>-83,984</u>            | <u>2,970</u>                | <u>2,341</u>                |
| Total.....                                       | 73,699                    | 78,799                      | 52,635                      |
| Statutory borrowing<br>authority rate.....       | <u>x20</u>                | <u>x20</u>                  | <u>x20</u>                  |
| Maximum authority to<br>borrow during year ..... | <u>1,473,980</u>          | <u>1,575,980</u>            | <u>1,052,700</u>            |

Note: Computed in accordance with Section 407 of the Rural Electrification Act of 1936, as amended.

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

Number and Amount of Rural Telephone Bank  
Loans by State, Fiscal Year 1989

|               | <u>No.</u> | <u>Amount</u> |
|---------------|------------|---------------|
| UNITED STATES | 28         | \$177,044,700 |
| Alabama       | 1          | 87,150        |
| Arizona       | 1          | 14,716,800    |
| Arkansas      | 1          | 1,155,000     |
| California    | 2          | 9,955,050     |
| Illinois      | 1          | 1,803,900     |
| Iowa          | 3          | 1,252,650     |
| Kansas        | 1          | 1,648,500     |
| Kentucky      | 2          | 7,964,250     |
| Maine         | 1          | 244,650       |
| Maryland      | 1          | 1,753,500     |
| Michigan      | 1          | 20,260,800    |
| Minnesota     | 4          | 6,053,250     |
| New Hampshire | 1          | 1,892,100     |
| Ohio          | 1          | 507,150       |
| Oklahoma      | 1          | 9,286,200     |
| Pennsylvania  | 1          | 89,995,500    |
| Washington    | 1          | 262,500       |
| Wisconsin     | 4          | 8,205,750     |

RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Purchase of Rural Telephone Bank Capital Stock

[For the purchase of Class A stock of the Rural Telephone Bank,  
\$28,710,000 to remain available until expended (7 U.S.C. 901-950 (b)).]

The change deletes the language authorizing purchase of capital stock. Since no appropriation is requested in fiscal year 1991 for purchase of Class A stock, retention of the language is unnecessary.

DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

Rural Telephone Bank

Purchase of Rural Telephone Bank Stock

|                                |                    |
|--------------------------------|--------------------|
| Appropriation Act, 1990.....   | \$28,710,000       |
| Budget Estimate, 1991.....     | --                 |
| Decrease in appropriation..... | <u>-28,710,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

| <u>Item of Change</u>              | <u>1990<br/>Estimated</u> | <u>Program<br/>Change</u> | <u>1991<br/>Estimated</u> |
|------------------------------------|---------------------------|---------------------------|---------------------------|
| Purchase of Capital<br>Stock ..... | <u>\$28,710,000</u>       | <u>-\$28,710,000</u>      | <u>--</u>                 |

Project Statement  
(On basis of appropriation)

| <u>Project</u>               | <u>1989<br/>Actual</u> | <u>1990<br/>Estimated</u> | <u>Decrease</u> | <u>1991<br/>Estimated</u> |
|------------------------------|------------------------|---------------------------|-----------------|---------------------------|
| Purchase of Capital<br>Stock | \$28,710,000           | \$28,710,000              | -\$28,710,000   | --                        |

EXPLANATION OF PROGRAM

The Rural Electrification Act of 1936, as amended, authorizes appropriations for the purchase of Class A stock in the Rural Telephone Bank by the U.S. Government. This account funds the purchase of Class A stock of the Rural Telephone Bank. The Federal Government has already provided \$563 million in low cost capital to the Bank - \$263 million over the \$300 million in capital called for in the original statute establishing the Bank; therefore, no appropriation is requested in fiscal year 1991.

JUSTIFICATION OF DECREASE

A decrease of \$28,710,000 for the purchase of capital stock.

Need for Change. This account funds the purchase of Class A stock of the Rural Telephone Bank and provides capital to the Bank. The stock is entitled to a cumulative return of 2 percent per annum. The continued purchases of Class A stock increase the financial burden on the public since the cost of Treasury borrowing is greater than the return earned on the Government's investment. The Bank has the authority to raise funds in private credit markets on its capital base. It is also authorized to borrow from the U.S. Treasury at a rate of interest equivalent to Treasury's cost of borrowing.

Nature of Change. No appropriation is requested for fiscal year 1991 for the purchase of capital stock.





RURAL ELECTRIFICATION ADMINISTRATION

The estimate includes appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Communication Development Fund:

To reimburse the Rural Communication Development Fund for interest subsidies and losses in making Community Antenna Television loans and loan guarantees under Sections 306 and 310B of the Consolidated Farm and Rural Development Act, as amended, [\$1,329,000] \$1,264,000.

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DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION  
Rural Communication Development Fund

|                                      | <u>Estimated Obligations<br/>for Interest Expense</u> | <u>Appropriation</u> |
|--------------------------------------|-------------------------------------------------------|----------------------|
| <u>Community Antenna Television:</u> |                                                       |                      |
| <u>Interest:</u>                     |                                                       |                      |
| Appropriation Act, 1990 .....        | \$2,616,000                                           | \$ 1,329,000         |
| Budget Estimate, 1991 .....          | <u>2,622,000</u>                                      | <u>1,264,000</u>     |
| Change .....                         | <u>+6,000</u>                                         | <u>-65,000</u>       |

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

| Community Antenna Television: | <u>1990 Estimated</u> | <u>Change</u>    | <u>1991 Estimated</u> |
|-------------------------------|-----------------------|------------------|-----------------------|
| Appropriation for losses .... | <u>\$1,329,000</u>    | <u>-\$65,000</u> | <u>\$1,264,000</u>    |

An appropriation is requested in fiscal year 1991 to reimburse the fund for operating expenses which are not covered by annual collections of principal and interest.

PROJECT STATEMENT  
(On basis of appropriation)

| Project             | 1989 Actual      | 1990 Estimated   | Increase       | 1991 Estimated   |
|---------------------|------------------|------------------|----------------|------------------|
| Interest expense... | \$2,569,000      | \$2,616,000      | +\$6,000(1)    | \$2,622,000      |
| Other funds         | :                | :                | :              | :                |
| available, net...   | -1,122,000       | -1,287,000       | -71,000(2)     | -1,358,000       |
| Total               | :                | :                | :              | :                |
| Appropriation...    | <u>1,447,000</u> | <u>1,329,000</u> | <u>-65,000</u> | <u>1,264,000</u> |

EXPLANATION OF PROGRAM

The 1991 Budget does not propose a loan program since sufficient funding is available in the private sector. REA will continue to administer the existing program by making advances on previous loans and performing debt servicing.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$6,000 for interest expense of the Rural Communication Development Fund (\$2,616,000 estimated in 1990).

Need for Change. The increase of \$6,000 is necessary because cash balances on deposit with the U.S. Treasury are estimated to decrease and reduce the amount of earned interest credit. Therefore, interest expense on Treasury borrowings will increase due to the reduced credit earnings.

Nature of Change. Interest expense will increase because of reduced cash balances which will decrease interest earned on these balances.

- (2) A net change of \$71,000 to reflect a decrease in appropriated funds required.

Need for Change. The need for budgetary resources is estimated to decrease by \$71,000 for fiscal year 1991.

Nature of Change. The amount of appropriated funds needed is estimated to decrease as principal and interest repayments gradually cover more of the operating costs.



## RURAL ELECTRIFICATION ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

SALARIES AND EXPENSES

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901- 950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 - 1995) and for which  
 1 commitments were made prior to fiscal year [1990], 1991 including not to exceed \$7,000 for financial credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$103,000 for employment  
 2 under 5 U.S.C. 3109, [~~\$31,124,000:~~] \$33,055,000. [Provided, That none of the funds in this Act may be used to authorize the transfer of  
 3 funds to this account from the Rural Telephone Bank:] [Provided  
 4 further, that not less than \$500,000 of this appropriation shall be expended to provide community and economic development technical assistance by Rural Electrification Administration employees to rural electric and telephone systems, and that such technical assistance program be made available within ninety days of enactment.]

[OFFICE OF THE ADMINISTRATOR]

[For necessary salaries and expenses of the Office of the Administrator of the Rural Electrification Administration, \$194,000: Provided, That no other funds in this act shall be available for this  
 5 Office.]

The first change updates the fiscal year designation.

The second change updates the fiscal year appropriation which includes funds for the Office of the Administrator.

The third change deletes the provision in P.L. 101-161, Rural Development, Agriculture, and Related Agencies Appropriations Act, 1990, prohibiting the use of any funds in this Act to authorize the transfer of funds from the Rural Telephone Bank to the Salaries and Expenses account.

The fourth change deletes the provision in P.L. 101-161, Rural Development, Agriculture, and Related Agencies Appropriations Act, 1990, mandating technical assistance for community and economic development.

The fifth change deletes the provision in P.L. 101-161, Rural Development, Agriculture, and Related Agencies Appropriations Act, 1990, authorizing a separate appropriation for the Office of the Administrator, since funds for this office are requested in the Salaries and Expenses appropriation in Fiscal Year 1991.



DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

Salaries and Expenses

|                                  |                      |
|----------------------------------|----------------------|
| Appropriation Act, 1990:         | <u>Appropriation</u> |
| Salaries and Expenses.....       | \$31,124,000         |
| Office of the Administrator..... | 194,000              |
| Total, Appropriations, 1990..... | 31,318,000           |
| Budget Estimate, 1991.....       | 33,055,000           |
| Increase in Appropriation.....   | <u>+ 1,737,000</u>   |

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

|                                       | <u>1990</u><br><u>Estimate</u> | <u>Pay</u><br><u>Cost</u> | <u>Program</u><br><u>Changes</u> | <u>1991</u><br><u>Estimate</u> |
|---------------------------------------|--------------------------------|---------------------------|----------------------------------|--------------------------------|
| Administration of Loan Programs ..... | <u>\$31,318,000</u>            | <u>+\$624,000</u>         | <u>+\$1,113,000</u>              | <u>\$33,055,000</u>            |

PROJECT STATEMENT  
(On basis of appropriation)

|                                                     | : 1989 Actual :              | : 1990 Estimated :           | : 1991 Estimated :            |
|-----------------------------------------------------|------------------------------|------------------------------|-------------------------------|
| Project                                             | : Staff: :<br>Amount :Years: | : Staff: :<br>Amount :Years: | : Staff: :<br>Amount :Years:  |
| 1. Administration of rural electrification program: |                              |                              |                               |
| (a) Lending and Management:                         |                              |                              |                               |
| Activities .....                                    | \$8,756,780: 139             | \$8,840,000: 142             | +\$549,000 : \$9,389,000: 140 |
| (b) Engineering Activities:                         | 7,887,326: 147               | 7,967,000: 148               | +494,000 : 8,461,000: 147     |
| Total administration of electrification program:    | 16,644,106: 286              | 16,807,000: 290              | +1,043,000 : 17,850,000: 287  |
| 2. Administration of rural telephone program:       |                              |                              |                               |
| (a) Lending and Management:                         |                              |                              |                               |
| Activities .....                                    | 7,448,893: 120               | 7,588,000: 121               | +471,000 : 8,059,000: 119     |
| (b) Engineering Activities:                         | 6,596,307: 126               | 6,729,000: 126               | +417,000 : 7,146,000: 125     |
| Total administration of telephone program ....      | 14,045,200: 246              | 14,317,000: 247              | +888,000 : 15,205,000: 244    |
| 3. Office of the Administrator .....                | 57,253: 1                    | 194,000: 3                   | -194,000 : --: --             |
| Unobligated balance .....                           | 537,441: --                  | --: --                       | --: --: --                    |
| Total available or estimated .....                  | 31,284,000: 533              | 31,318,000: 540              | +1,737,000 : 33,055,000: 531  |

EXPLANATION OF PROGRAM

The appropriation "Salaries and Expenses" of the Rural Electrification Administration funds the activities authorized by the Rural Electrification Act, as amended. The Act authorizes REA to provide to qualified electric and telephone organizations capital through insured loans and guarantees of loans by other lenders for electric and telephone service in rural areas comparable in reliability and quality to the service provided the rest of the nation. REA is also authorized by section 313 to make zero-interest loans and grants to REA borrowers for the purpose of promoting rural economic development and job creation projects. In addition to administering programs for making loans, assurance of feasibility and adequate security and collections on loans, the REA staff furnishes management and technical assistance to borrowers for the purpose of protecting the Government's loan security, to assure that construction and operation of borrowers' systems conform to approved standards, and that the electric and telephone systems continue providing reliable service on an area coverage basis.

Applications, Loans, and Requisitions for Advances  
(Dollars in thousands)

|                                            | <u>Actual</u>           |               | <u>Estimated</u>        |               | <u>Estimated</u>        |               |
|--------------------------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|
|                                            | <u>Fiscal Year 1989</u> |               | <u>Fiscal Year 1990</u> |               | <u>Fiscal Year 1991</u> |               |
|                                            | <u>Number</u>           | <u>Amount</u> | <u>Number</u>           | <u>Amount</u> | <u>Number</u>           | <u>Amount</u> |
| <u>Electric Program</u>                    |                         |               |                         |               |                         |               |
| Applications received..                    | 203                     | \$1,063,187   | 239                     | \$1,617,000   | 55                      | 200,000       |
| Insured loans approved.                    | 176                     | 622,050       | 185                     | 622,050       | 60                      | 200,000       |
| Direct loans, FFB.....                     | 3                       | 39,502        | 6                       | 813,450       | --                      | -- a/         |
| Non-REA loans without<br>guarantee .....   | 176                     | 324,850       | 185                     | 291,000       | 60                      | 100,000       |
| Applications on hand,<br>end of year.....  | 130                     | 750,224       | 178                     | 640,000 b/    | 173                     | 540,000       |
| Advances processed<br>(Insured Loans)..... | 976                     | 713,022       | 925                     | 635,000       | 885                     | 536,000       |
| <u>Telephone Program</u>                   |                         |               |                         |               |                         |               |
| Applications received .                    | 117                     | 515,450       | 80                      | 440,000       | --                      | --            |
| Insured loans approved.                    | 61                      | 214,149       | 55                      | 239,250       | --                      | --            |
| RTB loans approved.....                    | 28                      | 177,045       | 33                      | 177,045       | 25                      | 125,000       |
| Direct loans, FFB.....                     | --                      | --            | 1                       | 119,625       | --                      | -- a/         |
| Applications on hand,<br>completed .....   | 19                      | 145,838       | 10                      | 50,000        | --                      | --            |
| Advances processed -                       |                         |               |                         |               |                         |               |
| REA borrowers.....                         | 492                     | 167,158       | 490                     | 217,000       | 485                     | 208,000       |
| RTB borrowers.....                         | 135                     | 97,047        | 170                     | 120,000       | 175                     | 124,000       |

a/ Legislation will be proposed to finance this activity with private-sector loans. REA will guarantee \$400,000,000 in electric distribution loans with a 70-percent guarantee and \$700,000,000 in power supply loans with a 90-percent guarantee. Insured electric loans will be gradually phased out. All telephone loans will be shifted to the Rural Telephone Bank. REA will continue to review applications prior to providing a guarantee and provide management, technical, and engineering assistance to the borrowers.

b/ Applications on hand at the end of FY 1990 are estimated to total \$640 million. Many of these borrowers will qualify for private-sector guarantees. Criteria to determine qualifications for private-sector guarantees will be issued after adoption of proposed legislation.

## JUSTIFICATION OF INCREASES AND DECREASES

An increase of \$1,737,000 for administration of rural electrification, rural telephone, community antenna television and rural economic development loan programs (\$31,318,000 available in 1990), consisting of:

- (a) An increase of \$246,000 for the 1989 pay raise and \$378,000 which represents 50 percent of the 1991 raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (b) An additional \$236,000 is included for inflationary costs of non-pay items.
- (c) An increase of \$877,000 for non-pay costs to allow the Agency to continue to provide the administrative support services required to carry out the REA loan programs at the anticipated authorized levels. The major items of increase include \$250,000 to implement the new design of the accounting system, \$100,000 for additional computer training and \$268,000 for computer maintenance and purchase and support of a compact disk - read only memory for storing staff instructions, bulletins and forms.

An additional \$259,000 will restore administrative support items to the 1989 level, considering inflationary costs. In 1990, it was necessary to reduce these items in order to fund the full absorption of a 3.6 percent pay increase. The Salaries and Expenses appropriation of \$31,124,000 was the same in fiscal year 1989 and 1990 and was not adequate to fund the 550 staff years authorized.

## FEDERAL CROP INSURANCE CORPORATION

Purpose Statement

The Federal Crop Insurance Corporation is a wholly-owned Government Corporation created February 16, 1938 (7 U.S.C. 1501). The program was amended by P. L. 96-365, approved September 26, 1980, to provide for nationwide expansion of a comprehensive crop insurance program. The purpose of the Corporation is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance.

The Federal Crop Insurance Corporation is charged with providing an actuarially sound, cost-sharing insurance program for agricultural producers to protect against production losses due to unavoidable causes. The expanding crop insurance program constitutes a joint effort of the Government and the private insurance industry, both reinsured companies and sales and service contractors.

Major Activities

The Federal Crop Insurance Program comprises the following major activities:

(1) Underwriting, Actuarial, and Program Development which consists of the development by the Corporation of crop insurance programs and the establishment and maintenance of rates and coverages for crops in each county; (2) Reinsured Companies which consist of private insurance companies reinsured by FCIC which market and fully service (including loss adjustment and claims processing) policies of crop insurance and bear some risk on such policies; (3) Agency Sales and Service Contracts and Loss Adjustment consists of contracting with private insurance entities which sell and service FCIC crop insurance policies, but are not at risk. (These entities are commonly known as Master Marketers). This activity also includes contracting with independent claims adjusters who perform loss adjustment services for insureds holding FCIC policies, and the development of claims procedures; (4) Program Administration, which consists of the development and administration of reinsurance agreements and agency sales and service contracts, and development of strategies for increased participation in the crop insurance program; (5) Program Management and Administrative Support, includes the Board of Directors, the Manager's Office, staff offices reporting directly to the Manager's Office, as well as personnel management, finance and accounting, and support services, additionally, the compliance function is included in this program, providing oversight and quality control of reinsured and FCIC program service operations.

The 1990 crop insurance program will operate in over 3,000 counties, and approximately \$13.3 billion of insurance coverage will be provided on almonds, apples, barley, dry beans, canning and processing beans, citrus, citrus trees, corn, cotton, ELS cotton, cranberries, figs, flax, forage production, forage seeding, grain sorghum, grapes, table grapes, hybrid seed (corn & grain sorghum), macadamia nuts, macadamia trees, nursery stock, oats, onions, peaches, peanuts, pears, peas (green and dry), peppers, popcorn, potatoes, prunes, raisins, rice, rye, safflower, soybeans, stonefruit (CA only-apricots, nectarines, and peaches), sugar beets, sugarcane, sunflowers, sweet corn, fresh market sweet corn, tobacco, tomatoes (fresh), canning and processing tomatoes, walnuts and wheat.

A Prevented Planting option is offered for ASCS program crops only, which consist of barley, corn, cotton, grain sorghum, oats, rice and wheat. It is estimated that about 100 million acres will be insured for the 1990 crop year.

#### General Administration

The various crop insurance programs are planned, developed, and monitored by the FCIC headquarters office located in Washington, D.C., and its national operations office located in Kansas City, Missouri. The program is administered in the field through 16 field service offices and 11 field underwriting offices. Selling and servicing at the county level is performed primarily by agents operating for Federal contractors (under Agency Sales and Service agreements) and agents of reinsured companies. The adjustment of losses is performed by reinsured companies for their policies and by loss adjusters under contract with FCIC for FCIC policies sold by master marketers. ASCS provides some support on a reimbursable basis for the Corporation.

The Agency Sales and Service Contractors process and electronically transmit to the Kansas City mainframe computer, all data from Federally-insured policies except claims. The Kansas City, Missouri, office assists in the processing of all insurance documents (except those of the reinsured companies), records detailed accounting and statistical data, and prepares the required accounting, statistical, and management reports for business from all sources. This function is essentially automated.

As of September 30, 1989, there were 878 total employees with 714 permanent full-time and 164 other employees. Of the total employees, 99 permanent full-time and 7 other were located in the Washington, D.C., office.



A summary of changes in capital for fiscal year 1989, and estimates for fiscal years 1990 and 1991, follows:

|                                                    | F.Y. 1989<br>Actual   | F.Y. 1990<br>Estimated | F.Y. 1991<br>Estimated |
|----------------------------------------------------|-----------------------|------------------------|------------------------|
| Net capital at beginning of year...                | \$718,000,000         | \$342,155,174          | \$84,453,049           |
| Additions to Capital:                              |                       |                        |                        |
| Appropriation (Premium Subsidy)...                 | 112,000,000           | 134,077,000            | 169,325,000            |
| CCC Transfer.....                                  | 400,000,000           | 150,000,000            | 300,000,000            |
| Appropriation (A&O. Exp. Reimb.)...                | -0-                   | 28,862,000             | 117,368,000            |
| Subtotal.....                                      | <u>1,230,000,000</u>  | <u>655,094,174</u>     | <u>671,146,049</u>     |
| Income:                                            |                       |                        |                        |
| Insurance Prem. (farmer)                           |                       |                        |                        |
| FCIC (MMA).....                                    | 73,498,988            | 65,568,750             | 65,637,488             |
| Reinsurance Program.....                           | 485,839,350           | 438,806,250            | 439,266,263            |
| Interest Income (Note 1).....                      | 3,999,000             | -0-                    | -0-                    |
| Other Income (Note 2).....                         | 16,612,716            | -0-                    | -0-                    |
| Subtotal, Income.....                              | <u>579,950,054</u>    | <u>504,375,000</u>     | <u>504,903,750</u>     |
| Expenses:                                          |                       |                        |                        |
| Government Indemnities.....                        | 184,209,100           | 129,675,000            | 131,541,150            |
| Reinsurance Losses.....                            | 1,134,985,800         | 867,825,000            | 880,313,850            |
| Est. Uncollectible Prem/<br>Bad Debt Expenses..... | 1,469,980             | 1,311,375              | 1,312,750              |
| Adm. Exp. Paid From Fund.....                      | 147,130,000           | 76,204,750             | -0-                    |
| Subtotal, Expenses.....                            | <u>1,467,794,880</u>  | <u>1,075,016,125</u>   | <u>1,013,167,750</u>   |
| Net Income or Loss (-)<br>for the Year.....        | <u>-887,844,826</u>   | <u>-570,641,125</u>    | <u>-508,264,000</u>    |
| Net Capital at end of year.....                    | <u>\$342,155,174</u>  | <u>\$84,453,049</u>    | <u>\$162,882,049</u>   |
| Analysis of Capital:                               |                       |                        |                        |
| Capital Stock:                                     |                       |                        |                        |
| Authorized.....                                    | \$500,000,000         | \$500,000,000          | \$ 500,000,000         |
| Unissued.....                                      | -0-                   | -0-                    | -0-                    |
| Issued.....                                        | <u>500,000,000</u>    | <u>500,000,000</u>     | <u>500,000,000</u>     |
| Treasury Borrowing.....                            | 113,000,000           | 113,000,000            | 113,000,000            |
| CCC Transfer.....                                  | 2,050,000,000         | 2,200,000,000          | 2,500,000,000          |
| Paid-in-Capital:                                   |                       |                        |                        |
| Paid-in-surplus.....                               | 39,978,470            | 39,978,470             | 39,978,470             |
| Approp. (premium subsidy).....                     | 978,604,000           | 1,112,681,000          | 1,282,006,000          |
| Approp. (Reimbursement of<br>A&O Expenses) .....   | 52,541,000            | 81,403,000             | 198,771,000            |
| Cum. surplus(+)/deficit(-).....                    | <u>-3,391,968,296</u> | <u>-3,962,609,421</u>  | <u>-4,470,873,421</u>  |
| Net Capital at end of period.....                  | <u>\$342,155,174</u>  | <u>\$84,453,049</u>    | <u>\$162,882,049</u>   |

## Notes to Capital Table:

F.Y. 1989

- |                                                                                                                                       |              |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1. Interest Income.....                                                                                                               | \$3,999,000  |
| (Interest received from policyholders and/or insurance companies on amounts owed FCIC.)                                               |              |
| 2. Other Income.....                                                                                                                  | \$16,612,716 |
| a/ (Net credit resulting from final settlement of litigation at amounts less than the estimated liability accrued in previous years.) |              |
| b/ Prior year premium adjustment as per Fiscal Year 1988 audit: 12,071,716.                                                           |              |

## FEDERAL CROP INSURANCE CORPORATION

Available Funds and Staff-Years  
1989 Actual and Estimated 1990 and 1991  
 (Dollars in Thousands)

|                                                        | 1989 Actual | Staff- | 1990 Estimated | Staff- | 1991 Estimated | Staff- |
|--------------------------------------------------------|-------------|--------|----------------|--------|----------------|--------|
|                                                        | Amount      | Years  | Amount         | Years  | Amount         | Years  |
| Administrative and Operating Expenses..                | \$201,992   | 862    | \$222,694      | 865    | \$314,429      | 865    |
| FCIC Fund:                                             |             |        |                |        |                |        |
| Premium Subsidy.....                                   | 112,000     | ---    | 134,077        | ---    | 169,325        | ---    |
| Restoration of Prior Year Expenses (Admin. Expense)... | -0-         | ---    | 28,862         | ---    | 117,368        | ---    |
| Total, FCIC Approp...                                  | 313,992     | ---    | 385,633        | ---    | 601,122        | ---    |
| CCC Transfers.....                                     | 400,000     | ---    | 150,000        | ---    | 300,000        | ---    |
| Total, FCIC Available Funds....                        | \$713,992   | 862    | \$535,633      | 865    | \$901,122      | 865    |

| Full-Time Equivalent Staff-Years: | 1989 Actual | 1990 Estimated | 1991 Estimated |
|-----------------------------------|-------------|----------------|----------------|
| Ceiling.....                      | 862         | 865            | 865            |
| Non-ceiling.....                  | 10          | 10             | 10             |
| Total.....                        | <u>872</u>  | <u>875</u>     | <u>875</u>     |

## FEDERAL CROP INSURANCE CORPORATION

Permanent Positions by Grade and Staff-Year Summary  
1989 and Estimated 1990 and 1991

| Grade               | 1989         |       |       | 1990         |       |       | 1991         |       |       |
|---------------------|--------------|-------|-------|--------------|-------|-------|--------------|-------|-------|
|                     | Headquarters | Field | Total | Headquarters | Field | Total | Headquarters | Field | Total |
| ES-5                | 0            | 1     | 1     | 0            | 0     | 0     | 0            | 0     | 0     |
| ES-4                | 0            | 0     | 0     | 0            | 0     | 0     | 0            | 0     | 0     |
| ES-3                | 1            | 0     | 1     | 1            | 0     | 1     | 1            | 0     | 1     |
| GS/GM-16            | 0            | 0     | 0     | 0            | 1     | 1     | 0            | 1     | 1     |
| GS/GM-15            | 6            | 3     | 9     | 6            | 5     | 11    | 5            | 5     | 10    |
| GS/GM-14            | 8            | 4     | 12    | 11           | 1     | 12    | 11           | 1     | 12    |
| GS/GM-13            | 38           | 45    | 83    | 44           | 41    | 85    | 47           | 41    | 88    |
| GS-12               | 83           | 156   | 239   | 92           | 159   | 251   | 94           | 162   | 256   |
| GS-11               | 10           | 144   | 154   | 12           | 174   | 186   | 16           | 177   | 193   |
| GS-10               | 2            | 1     | 3     | 0            | 0     | 0     | 0            | 0     | 0     |
| GS-9                | 6            | 33    | 39    | 11           | 14    | 25    | 10           | 12    | 22    |
| GS-8                | 9            | 2     | 11    | 12           | 2     | 14    | 11           | 2     | 13    |
| GS-7                | 39           | 28    | 67    | 35           | 14    | 49    | 30           | 6     | 36    |
| GS-6                | 16           | 14    | 30    | 16           | 13    | 29    | 18           | 12    | 30    |
| GS-5                | 19           | 75    | 94    | 21           | 60    | 81    | 19           | 60    | 79    |
| GS-4                | 14           | 109   | 123   | 7            | 22    | 29    | 6            | 23    | 29    |
| GS-3                | 3            | 9     | 12    | 1            | 1     | 2     | 1            | 1     | 2     |
| Total Perm. Pos. a/ | 254          | 624   | 878   | 269          | 507   | 776   | 269          | 503   | 772   |
| Total Staff-Years:  |              |       |       |              |       |       |              |       |       |
| Ceiling.....        | 226          | 636   | 862   | 232          | 633   | 865   | 232          | 633   | 865   |
| Non-Ceiling.....    | 2            | 8     | 10    | 2            | 8     | 10    | 2            | 8     | 10    |
| TOTAL.....          | 228          | 644   | 872   | 234          | 641   | 875   | 234          | 641   | 875   |

HEADQUARTERS: Includes Personnel, Finance, Support Services, Claims, IRMB, and Program Management Support Branch, functions located in Kansas City, Missouri.

FIELD: Includes Field Service Offices, Field Underwriting Offices, Compliance Field Offices, and Kansas City Actuarial and Underwriting Offices.

a/ The Federal Crop Insurance Act of 1980, as amended, restricts the Corporation from employing more than 760 permanent full-time employees.

FEDERAL CROP INSURANCE CORPORATION  
Classification By Objects  
1989 and Estimated 1990 and 1991  
(Dollars in Thousands)

| Administrative and Operating Expenses:              | 1989                | 1990                | 1991               |
|-----------------------------------------------------|---------------------|---------------------|--------------------|
| Personnel Compensation:                             |                     |                     |                    |
| Headquarters a/.....                                | \$4,972             | \$5,750             | \$6,037            |
| Field.....                                          | 21,260              | 24,515              | 25,741             |
| 11 Total Personnel Compensation...                  | 26,232              | 30,265              | 31,778             |
| 12 Personnel Benefits.....                          | 5,311               | 6,192               | 6,502              |
| 13 Benefits for Former Personnel..                  | 138                 | 65                  | 89                 |
| Total Personnel Compensation and Benefits.....      | 31,681              | 36,522              | 38,369             |
| Other Object Classes:                               |                     |                     |                    |
| 14 Payment From Imprest Fund.....                   | 1,780               | -0-                 | -0-                |
| 21 Travel.....                                      | 2,577               | 3,622               | 3,910              |
| 22 Transportation of Things.....                    | 364                 | 553                 | 597                |
| 23 Communications, Utilities, and Other Rent.....   | 3,650               | 4,610               | 4,977              |
| 24 Printing and Reproduction.....                   | 378                 | 831                 | 897                |
| 25 Other Services.....                              | 2,936               | 3,042               | 3,866              |
| 25 Other Contracts b/.....                          | 11,185              | 10,102              | 12,888             |
| 25 ASCS Agreement.....                              | 5,026               | 5,022               | 5,214              |
| 25 Reinsurance Admin Expenses.....                  | 139,783             | 154,992             | 218,023            |
| 25 Master Marketing Expenses.....                   | -0-                 | -0-                 | 17,610             |
| 25 Loss adjustment contracting....                  | -0-                 | 1,422               | 6,577              |
| 26 Supplies and Materials.....                      | 545                 | 760                 | 820                |
| 31 Equipment.....                                   | 1,167               | 2,110               | 675                |
| 42 Insurance Claims and Indemnities.....            | 15                  | 4                   | 4                  |
| 43 Interest and dividends.....                      | 5                   | 2                   | 2                  |
| Total, Other Object Classes.....                    | 169,411             | 187,072             | 276,060            |
| TOTAL DIRECT OBLIGATIONS, A&O EXP....               | <u>\$201,092 c/</u> | <u>\$223,594 c/</u> | <u>\$314,429</u>   |
| FCIC Fund:                                          |                     |                     |                    |
| Other Object Classes:                               |                     |                     |                    |
| 25 Administrative Expenses Paid from FCIC Fund..... | 147,130             | 76,205              | ---                |
| 42 Indemnities:                                     |                     |                     |                    |
| Government.....                                     | 185,679             | 130,986             | 132,854            |
| Reinsurance.....                                    | 1,134,986           | 867,825             | 880,314            |
| Total Direct Obligations, FCIC Fund..               | <u>\$1,467,795</u>  | <u>\$1,075,016</u>  | <u>\$1,013,168</u> |
| Total Direct Obligations, FCIC.....                 | <u>\$1,668,887</u>  | <u>\$1,298,610</u>  | <u>\$1,327,597</u> |
| Position Data:                                      |                     |                     |                    |
| Average Salary, ES positions                        | \$76,621            | \$76,621            | \$83,600           |
| Average Salary, GS/GM positions                     | \$31,811            | \$31,980            | \$33,579           |
| Average Grade, GS/GM positions                      | 10.13               | 10.18               | 10.18              |

- a/ Headquarters includes all Washington, D.C. employees, and Kansas City, Missouri employees in Support Services, Personnel, Budget, and Finance.
- b/ Includes ADP; Internal Management Studies; Statistical Data-NASS, Advertising, National Finance Center, FTS.
- c/ Pursuant to the Federal Crop Insurance Commission Act of 1988 (P.L. 100-546), the Corporation made available until expended, a portion of the 1989 appropriation for administrative and operating expenses (\$1,500,000), to carry out this act. Of the total amount, only \$600,000 was obligated in FY 1989. The remaining \$900,000 is expected to be obligated in FY 1990 and is shown as part of the total funds available for FY 1990.





## FEDERAL CROP INSURANCE CORPORATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Administrative and Operating Expenses:

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), [\$225,626,000]  
\$314,429,000: Provided, that not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

## FEDERAL CROP INSURANCE CORPORATION

Administrative and Operating Expenses - Current Law

|                                |                    |
|--------------------------------|--------------------|
| Appropriation Act, 1990.....   | \$225,626,000      |
| Budget Estimate, 1991.....     | 314,429,000        |
| Increase in Appropriation..... | <u>+88,803,000</u> |

## Adjustments in 1990:

|                                                    |                   |
|----------------------------------------------------|-------------------|
| Appropriation Act, 1990.....                       | 225,626,000       |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | <u>-2,932,000</u> |

|                                  |                    |
|----------------------------------|--------------------|
| Adjusted base for 1990.....      | 222,694,000        |
| Budget Estimate, 1991.....       | 314,429,000        |
| Increase over Adjusted 1990..... | <u>+91,735,000</u> |

Administrative and Operating Expenses - Proposed Legislation

|                                                   |                   |
|---------------------------------------------------|-------------------|
| Budget estimate, Current Law, 1991.....           | \$314,429,000     |
| Change due to proposed legislation.....           | -241,576,000      |
| Net Request, President's 1991 Budget Request..... | <u>72,853,000</u> |

SUMMARY OF INCREASES AND DECREASES - CURRENT LAW  
 (On basis of adjusted appropriation)

| ITEM OF CHANGE:                                                            | 1990<br>Estimated    | Pay Cost          | Program<br>Changes | 1991<br>Estimated    |
|----------------------------------------------------------------------------|----------------------|-------------------|--------------------|----------------------|
| 1. Underwriting, Actuarial<br>and Program Develop..                        | \$14,934,000         | +383,000          | +\$504,000         | \$15,821,000         |
| 2. Reinsured Companies....                                                 | 154,992,000          | ---               | +63,031,000        | 218,023,000          |
| 3. Agency Sales & Service<br>Agreements and Loss<br>Adjustment Contracts.. | 20,281,000           | +811,000          | +26,173,000        | 47,265,000           |
| 4. Program Administration..                                                | 3,488,000            | +65,000           | +136,000           | 3,689,000            |
| 5. Program Management and<br>Administrative Supp...                        | 28,999,000           | +568,000          | +64,000            | 29,631,000           |
| 6. Commission Study.....                                                   | 900,000              | ---               | -900,000           | 0                    |
| Total Available.....                                                       | <u>\$223,594,000</u> | <u>+1,827,000</u> | <u>+89,008,000</u> | <u>\$314,429,000</u> |

a/ The total available for 1990 reflects the adjusted base for 1990 of \$222,694,000 plus the unobligated balance of \$900,000 from 1989 for the Commission Study.

Note: The fiscal year 1990 program level will require paying about \$76.0 million in administrative expenses from the FCIC Fund in addition to the amount shown in the table above.

PROJECT STATEMENT--CURRENT LAW  
Administrative and Operating Expenses  
(On basis of adjusted appropriation)  
(dollars in thousands)

|                                                            | 1989 Actual |      | 1990 (Est.) |      | Increase(+): | 1991 (Est.) |      |
|------------------------------------------------------------|-------------|------|-------------|------|--------------|-------------|------|
|                                                            | Amount      | SY   | Amount      | SY   | Decrease(-): | Amount      | SY   |
| 1. Underwriting, Actuarial and Program Development....     | \$12,723    | 183: | \$14,934    | 183: | +\$887(1):   | \$15,821    | 183: |
| 2. Reinsured companies.....                                | 139,783     | 0:   | 154,992     | 0:   | +63,031(2):  | 218,023     | 0:   |
| 3. Agency Sales & Service Agreement & Loss Adjust. Contr.. | 18,975      | 381: | 20,281      | 384: | +26,984(3):  | 47,265      | 384: |
| 4. Program Administration.....                             | 4,946       | 31:  | 3,488       | 31:  | +201(4):     | 3,689       | 31:  |
| 5. Program Management & Administrative Supp....            | 24,065      | 267: | 28,999      | 267: | +632(5):     | 29,631      | 267: |
| 6. FCIC Commission:                                        | 1,500       | 0:   | 0           | 0:   | 0            | 0           | 0:   |
| Total Adjusted Appropriation....                           | 201,992     | 862: | 222,694     | 865: | +91,735      | 314,429     | 865: |
| Gramm-Rudman-Hollings Reduct..                             | ---         |      | +2,932      |      |              |             |      |
| Total Approp.....                                          | \$201,992   | 862: | \$225,626   | 865: |              |             |      |

PROJECT STATEMENT--CURRENT LAW  
Administrative and Operating Expenses  
(On basis of available funds)  
(dollars in thousands)

|                                                            | 1989 Actual |      | 1990 (Est.) |      | Increase(+): | 1991 (Est.) |      |
|------------------------------------------------------------|-------------|------|-------------|------|--------------|-------------|------|
|                                                            | Amount      | SY   | Amount      | SY   | Decrease(-): | Amount      | SY   |
| 1. Underwriting, Actuarial and Program Development....     | \$12,723    | 183: | \$14,934    | 183: | +\$887       | \$15,821    | 183: |
| 2. Reinsured companies.....                                | 257,520     | 0:   | 209,235     | 0:   | +8,788       | 218,023     | 0:   |
| 3. Agency Sales & Service Agreement & Loss Adjust. Contr.. | 48,368      | 384: | 42,243      | 384: | +5,022       | 47,265      | 384: |
| 4. Program Administration.....                             | 4,946       | 31:  | 3,488       | 31:  | +201         | 3,689       | 31:  |
| 5. Program Management & Administrative Supp....            | 24,065      | 267: | 28,999      | 267: | +632         | 29,631      | 267: |
| 6. FCIC Commission:                                        | 600         | 0:   | 900         | 0:   | -900         | 0           | 0:   |
| Unobligated Bal. available SOY....                         | 0           |      | -900        |      | +900         | 0           | 0:   |
| Unobligated Bal. EOY.....                                  | 900         |      | 0           |      | 0            | 0           | 0:   |
| Total Estimate....                                         | 349,122     | 862: | 298,899     | 865: | +15,530      | 314,429     | 865: |
| Amount Paid from the FCIC Fund....                         | -147,130    | 0:   | -76,205     | 0:   |              |             |      |
| Total.....                                                 | \$201,992   | 862: | \$222,694   | 865: |              |             |      |

EXPLANATION OF PROGRAM

The appropriation, "Administrative and Operating Expenses," of the Federal Crop Insurance Corporation, provides funding for support of program activities authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1501-1520).

The fiscal year 1991 appropriation request for administrative and operating expenses will enable the Corporation to provide for expanded program participation at about 45 percent of the potentially insurable acreage, starting in fiscal year 1989, which compares to 24 percent insured in 1988. The major portion of administrative and operating expenses funds the program's delivery systems which are provided by the private sector, as authorized by the Federal Crop Insurance Act under Section 507(c). Program delivery is provided through the following methods:

(1) Reinsured companies provide insurance marketing, underwriting, servicing, training, quality control, statistical processing and reporting, and loss adjustment functions. As risk-bearers, the companies also share with FCIC in both profits and losses. It is estimated that reinsured companies will handle insurance sales amounting to about 87 percent of the premium during crop year 1991.

(2) Agency Sales and Service Agreements (Master Marketing Agreements). Under this type of agreement, private insurance companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and services. They are compensated on a commission basis. It is estimated that for crop year 1991 about 13 percent of the premium will be handled under this delivery system.

(3) Existing ASCS Offices will provide FCIC information and support, collect data and assist FCIC in establishing farm yields. Upon request from FCIC, they will sell and service all-risk crop insurance in existing county offices where an adequate private sales and service force is not available.

The activities carried out by the Corporation follow:

Underwriting, Actuarial and Program Development covers the underwriting function which makes determinations with respect to establishment of insurance coverages and premium rates for different farming practices (summer fallow, continuous cropping, irrigation, etc.) in each county. Also, in each county, insurance coverages and premium rates are broken down by yield groups to reflect variation in productivity and in risk of loss. Crop insurance coverages must be established and maintained for each crop in each county.

Field underwriters review and recommend revision of local rates each year to refine the actuarial structure. In addition, new programs are researched and developed, and existing ones are reviewed for improvement of contract provisions and proposals.

Reinsured Companies - Reinsured companies provide insurance marketing, underwriting, servicing, training, quality control, statistical processing reporting, and loss adjustment functions. The companies also share with FCIC in both profits and losses.



Agency Sales and Service Contracts and Loss Adjustment Contracts - Under Agency Sales and Service Contracts, companies and associations are offered the opportunity to contract with FCIC to provide insurance sales and limited services for policies written by FCIC. For these policies, the loss adjustment work is performed by adjusters under contract with FCIC.

Program Administration - This activity is responsible for the administration of the Reinsurance Agreements and Agency Sales and Service Contracts and developing strategies for increased participation in the crop insurance program.

Program Management and Administrative Support - This activity includes all management and administrative support functions in both Washington, D.C. and Kansas City, Missouri. Included are the following functions: administrative support functions of finance, budget, management services, personnel management for the Corporation, and reviews of the activities of the reinsured companies, master marketers and FCIC loss adjusters, to assure compliance and uniformity in loss adjustment procedures, training development, and quality control methods.

The following table summarizes the estimated level of crop insurance operations for crop years 1989, 1990, and 1991. These indicators form the basis of program delivery costs.

|                                                | Crop Year<br>1989 | Crop Year<br>1990 | Crop Year<br>1991 |
|------------------------------------------------|-------------------|-------------------|-------------------|
| Premiums (\$000).....                          | \$800,000         | \$650,000         | \$677,300         |
| Government Operations.....                     | 104,000           | 84,500            | 88,049            |
| Reinsurance Operations ...                     | 696,000           | 565,500           | 589,251           |
| Premium Subsidy included<br>above (\$000)..... | 200,000           | 162,500           | 169,325           |
| Insurance in Force (\$000)...                  | 13,079,650        | 10,627,216        | 11,073,559        |
| Insured Acres (000).....                       | 99,875            | 81,149            | 81,149            |
| Counties.....                                  | 3,019             | 3,019             | 3,019             |
| County Programs.....                           | 20,507            | 21,347            | 21,347            |
| Loss Ratio.....                                | 1.70              | 1.50              | 1.50              |

OIG Reports:

05099-1-FM RE: Financial Accounting Interfaces Between FCIC and CHIAA.  
Open as of 9/30/89.

05099-6-SF RE: Audit of Potato Insurance Policies.  
Open as of 9/30/89.

05099-7-SF RE: Audit of Selected 1986 Processing Tomato Claims.  
Open as of 9/30/89.

05099-11-AT RE: FCIC Reinsurance Operations - Mississippi.  
Open as of 9/30/89.

05099-12-AT RE: Audit of FCIC Peanut Insurance Claims in Georgia.  
Open as of 9/30/89.

05099-20-AT RE: Audit of Unauthorized Use of FmHA Inventory Farm Property.  
Open as of 9/30/89.

05099-31-TE RE: FCIC Claims Adjusted by Rain & Hail Insurance Service.  
Open as of 9/30/89.

05099-45-TE RE: Audit of ASCS Large Payments and FCIC Indemnity Payments  
for Crop Year 1986.  
Closed upon issuance.

GAO Reports:

GAO/RCED-89-10 RE: CROP INSURANCE: FCIC Needs to Improve Its' Oversight  
October, 1988 of Reinsured Companies. FCIC responded 12/88.

GAO/RCED-89-19 RE: CROP INSURANCE: FCIC Should Strengthen Actual  
December, 1988 Production History (APH) Program Controls. FCIC  
responded. Report closed.

GAO/RCED-89-211 RE: CROP INSURANCE: Crop Insurance Can Provide Assistance  
September, 1989 More Effectively Than Other Programs. No response  
required.

## JUSTIFICATION OF INCREASES AND DECREASES

(1) Underwriting, Actuarial, and Program Development - An increase of \$887,000 (\$14,934,000 available in fiscal year 1990), consisting of:

- (a) An increase of \$504,000 for increased operating costs for a 4.2 percent inflation of non-personnel costs.
- (b) An increase of \$160,860 for the 1989 pay raise and \$222,140, which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1990 and 1991:

## On the Basis of Appropriation

|                                               | 1990   |              | 1991   |              | Change 1991<br>over 1990 |            |
|-----------------------------------------------|--------|--------------|--------|--------------|--------------------------|------------|
|                                               | Staff: |              | Staff: |              | Staff:                   |            |
|                                               | Years: | Cost         | Years: | Cost         | Years:                   | Cost       |
| 1. Actuarial analysis & program development.. | 84     | \$8,946,000  | 84     | \$9,528,000  | 0                        | +\$582,000 |
| 2. Field underwriting....                     | 99     | 5,988,000    | 99     | 6,293,000    | 0                        | +305,000   |
| Total.....                                    | 183    | \$14,934,000 | 183    | \$15,821,000 | 0                        | +\$887,000 |

(2) Reinsured Companies - An increase of \$63,031,000 (\$154,992,000 available in FY 1990) consisting of:

- (a) An increase of \$8,788,000 for inflation (4.2 percent of non-personnel costs).
- (b) The increase of \$54,243,000 represents the portion of Reinsurance Administrative expenses estimated to be paid from the FCIC Fund in FY 1990. In FY 1991, this amount is now being requested in the administrative and operating expense account by direct appropriation.

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1990 and 1991:

## On the Basis of Appropriation

| Function                                    | 1990   |               | 1991   |               | Change 1991<br>over 1990 |               |
|---------------------------------------------|--------|---------------|--------|---------------|--------------------------|---------------|
|                                             | Staff: |               | Staff: |               | Staff:                   |               |
|                                             | Years: | Cost          | Years: | Cost          | Years:                   | Cost          |
| 1. Reinsurance Administrative Expenses..... | 0      | \$154,992,000 | 0      | \$218,023,000 | 0                        | +\$63,031,000 |
| Total.....                                  | 0      | \$154,992,000 | 0      | \$218,023,000 | 0                        | +\$63,031,000 |

1/ Does not include \$54,243,000 estimated to be paid out of the FCIC Revolving Fund.

(3) Agency Sales and Service Agreements and Loss Adjustment Contracts - A net increase of \$26,984,000 (\$20,281,000 available in fiscal year 1990), consisting of:

- (a) An increase of \$2,576,000 in support costs.
- (b) An increase of \$340,620 for the 1989 pay raise and \$470,380, which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (c) The increase of \$21,962,000 represents the portion of Reinsurance Administrative expenses estimated to be paid from the FCIC Fund in FY 1990. In FY 1991, this amount is now being requested in the A&O expense account by direct appropriation.
- (d) An increase of \$1,635,000 for inflation (4.2 percent of non-personnel costs).

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1990 and 1991:

On the Basis of Appropriation

| Function                                           | 1990   |              | 1991   |              | Change 1991 over 1990 |             |
|----------------------------------------------------|--------|--------------|--------|--------------|-----------------------|-------------|
|                                                    | Staff: |              | Staff: |              | Staff:                |             |
|                                                    | Years: | Cost         | Years: | Cost         | Years:                | Cost        |
| 1. Agency Sales and Service Agreements (MMA's).... | 0      | ---          | 0      | \$17,610,000 | 0                     | +17,610,000 |
| 2. Loss Adjustment Contracts.....                  | 0      | \$1,422,000  | 0      | 6,577,000    | 0                     | +5,155,000  |
| 3. ASCS Agreement.....                             | 0      | 5,022,000    | 0      | 5,214,000    | 0                     | +192,000    |
| 4. Field Services.....                             | 292    | 10,522,000   | 292    | 13,584,000   | 0                     | +3,062,000  |
| 5. Other (Prog. Supp.):                            | 92     | 3,315,000    | 92     | 4,280,000    | 0                     | +965,000    |
| Total.....                                         | 384    | \$20,281,000 | 384    | \$47,265,000 | 0                     | +26,984,000 |

1/Does not include \$21,962,000 estimated to be paid out of FCIC Revolving Fund.

(4) Program Administration - A net increase of \$201,000 (\$3,488,000 provided in fiscal year 1990), consisting of:

- (a) An increase of \$27,300 for the 1989 pay raise and \$37,700, which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (b) An increase of \$136,000 for inflation (4.2 percent of non-personnel costs).

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1990 and 1991:

On the Basis of Appropriation

| Function                  | 1990   |             | 1991   |             | Change 1991<br>over 1990 |            |
|---------------------------|--------|-------------|--------|-------------|--------------------------|------------|
|                           | Staff: |             | Staff: |             | Staff:                   |            |
|                           | Years: | Cost        | Years: | Cost        | Years:                   | Cost       |
| 1. Program Administration | 31     | \$3,488,000 | 31     | \$3,689,000 | 0                        | +\$201,000 |

(5) Program Management and Administrative Support - A net increase of \$632,000 (\$28,999,000 provided in fiscal year 1990), consisting of:

- (a) An increase of \$238,560 for the 1989 pay raise, and \$329,440, which represents 50 percent of the 1991 pay raise. The remaining 50 percent of the 1991 pay raise and the total 1990 pay raise are being absorbed.
- (b) A decrease of \$358,000 in equipment costs related to completion of computer upgrading.
- (c) An increase of \$422,000 for inflation (4.2 percent of non-personnel costs).

The following table reflects the cost and staff-year distribution of this activity for fiscal years 1990 and 1991:

On the Basis of Appropriation

| Function             | 1990   |              | 1991   |              | Change 1991<br>over 1990 |            |
|----------------------|--------|--------------|--------|--------------|--------------------------|------------|
|                      | Staff: |              | Staff: |              | Staff:                   |            |
|                      | Years: | Cost         | Years: | Cost         | Years:                   | Cost       |
| 1. Headquarters..... | 84     | \$9,462,000  | 84     | \$9,573,000  | 0                        | +\$111,000 |
| 2. Kansas City.....  | 109    | 14,479,000   | 109    | 14,725,000   | 0                        | +\$246,000 |
| 3. Compliance.....   | 74     | 5,058,000    | 74     | 5,333,000    | 0                        | +\$275,000 |
| Total.....           | 267    | \$28,999,000 | 267    | \$29,631,000 | 0                        | +\$632,000 |



FEDERAL CROP INSURANCE CORPORATION  
ADMINISTRATIVE AND OPERATING EXPENSES  
SUMMARY OF PROPOSED LEGISLATION  
SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

| ITEM OF CHANGE:                                                               | 1991                 |                       |                        |
|-------------------------------------------------------------------------------|----------------------|-----------------------|------------------------|
|                                                                               | Current<br>Law       | Program<br>Changes    | Presidents'<br>Request |
| 1. Underwriting, Actuarial<br>and Program Development...                      | \$15,821,000         | -0-                   | \$15,821,000           |
| 2. Reinsured Companies.....                                                   | 218,023,000          | -\$218,023,000        | -0-                    |
| 3. Agency Sales & Service<br>Agreements and Loss<br>Adjustment Contracts..... | 47,265,000           | -23,553,000           | 23,712,000             |
| 4. Program Administration....                                                 | 3,689,000            | -0-                   | 3,689,000              |
| 5. Program Management and<br>Administrative Support....                       | 29,631,000           | ---                   | 29,631,000             |
| Total Available.....                                                          | <u>\$314,429,000</u> | <u>-\$241,576,000</u> | <u>\$72,853,000</u>    |

Explanation of Proposed Legislation

The Administration will propose legislation to terminate the current crop insurance program effective with the 1991 crop year. The program has not been able to provide adequate risk protection for farmers at a reasonable cost to taxpayers. Further, ad hoc disaster legislation was enacted in both 1988 and 1989. The Administration will work closely with Congress to fashion a permanent disaster assistance program which can provide an effective safety net for farmers and ranchers.

For 1991, the Department is submitting budget estimates under proposed and existing legislation. Under proposed legislation, the 1991 program level and outlays reflect only carryover obligations from the prior crop year and a small amount of 1991 administrative obligations. Under existing legislation, the 1991 estimates assume continuation of the existing program at about the same level of premium and indemnities as estimated for the 1990 crop year.

Participation in the 1990 crop year under both proposed and existing legislation is estimated to decline somewhat from the record levels achieved in 1989 following the 1988 drought. Total premium is estimated to decline from \$800.0 million in 1989 to \$650.0 million in 1990. Loss ratios, the ratio of indemnities to total premium, are also assumed to improve from 1.70 in 1989 to 1.50 in 1990.

UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION  
Geographic Breakdown Of Obligations And Staff Years  
1989 Actual and Estimated 1990 and 1991

|                                                          | 1989 Actual          |                 | 1990 Estimated       |                 | 1991 Estimated       |                 |
|----------------------------------------------------------|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
|                                                          | Amount               | Staff-<br>Years | Amount               | Staff-<br>Years | Amount               | Staff-<br>Years |
| <b>Administrative and Operating Expenses:</b>            |                      |                 |                      |                 |                      |                 |
| ALABAMA.....                                             | \$3,094,805          | 0               | \$3,427,259          | 0               | \$4,970,958          | 0               |
| ARIZONA.....                                             | 203,103              | 0               | 224,921              | 0               | 326,229              | 0               |
| ARKANSAS.....                                            | 3,937,381            | 0               | 4,360,348            | 0               | 6,324,327            | 0               |
| CALIFORNIA.....                                          | 10,875,055           | 26              | 12,043,291           | 26              | 17,647,806           | 26              |
| COLORADO.....                                            | 2,710,720            | 0               | 3,001,915            | 0               | 4,354,032            | 0               |
| CONNECTICUT.....                                         | 16,087               | 0               | 17,815               | 0               | 25,839               | 0               |
| DELAWARE.....                                            | 187,015              | 0               | 207,105              | 0               | 300,389              | 0               |
| DISTRICT OF COLUMBIA.                                    | 9,479,477            | 101             | 11,397,796           | 101             | 11,967,690           | 101             |
| FLORIDA.....                                             | 2,590,065            | 0               | 2,868,299            | 0               | 4,160,232            | 0               |
| GEORGIA.....                                             | 6,798,920            | 15              | 7,529,284            | 15              | 10,920,609           | 15              |
| HAWAII.....                                              | 82,447               | 0               | 91,304               | 0               | 132,429              | 0               |
| IDAHO.....                                               | 2,125,542            | 0               | 2,353,875            | 0               | 3,414,103            | 0               |
| ILLINOIS.....                                            | 6,833,106            | 24              | 7,567,142            | 24              | 10,975,519           | 24              |
| INDIANA.....                                             | 3,052,576            | 18              | 3,380,494            | 18              | 4,903,129            | 18              |
| IOWA.....                                                | 16,511,664           | 21              | 18,285,404           | 21              | 26,521,479           | 21              |
| KANSAS.....                                              | 7,319,748            | 29              | 8,106,061            | 29              | 11,757,177           | 29              |
| KENTUCKY.....                                            | 1,528,299            | 0               | 1,692,474            | 0               | 2,454,795            | 0               |
| LOUISIANA.....                                           | 4,232,986            | 0               | 4,687,708            | 0               | 6,799,136            | 0               |
| MAINE.....                                               | 112,611              | 0               | 124,708              | 0               | 180,879              | 0               |
| MARYLAND.....                                            | 295,605              | 0               | 327,360              | 0               | 474,809              | 0               |
| MASSACHUSETTS.....                                       | 56,305               | 0               | 62,353               | 0               | 90,438               | 0               |
| MICHIGAN.....                                            | 1,349,327            | 0               | 1,494,276            | 0               | 2,167,325            | 0               |
| MINNESOTA.....                                           | 14,223,237           | 35              | 15,751,146           | 35              | 22,845,745           | 35              |
| MISSISSIPPI.....                                         | 2,632,294            | 25              | 2,915,064            | 25              | 4,228,061            | 25              |
| MISSOURI.....                                            | 19,154,430           | 334             | 21,212,065           | 337             | 25,454,480           | 337             |
| MONTANA.....                                             | 8,061,778            | 30              | 8,927,802            | 30              | 12,949,045           | 30              |
| NEBRASKA.....                                            | 10,929,350           | 20              | 12,103,419           | 20              | 17,555,017           | 20              |
| NEW JERSEY.....                                          | 120,655              | 0               | 133,616              | 0               | 193,799              | 0               |
| NEW MEXICO.....                                          | 154,438              | 0               | 171,028              | 0               | 248,062              | 0               |
| NEW YORK.....                                            | 176,961              | 0               | 195,971              | 0               | 284,240              | 0               |
| NORTH CAROLINA.....                                      | 7,016,099            | 36              | 7,769,793            | 36              | 11,269,448           | 36              |
| NORTH DAKOTA.....                                        | 14,500,744           | 19              | 16,058,464           | 19              | 23,291,485           | 19              |
| OHIO.....                                                | 1,407,644            | 0               | 1,558,858            | 0               | 2,260,996            | 0               |
| OKLAHOMA.....                                            | 2,143,640            | 15              | 2,373,917            | 15              | 3,443,172            | 15              |
| OREGON.....                                              | 693,767              | 0               | 768,294              | 0               | 1,114,347            | 0               |
| PENNSYLVANIA.....                                        | 689,745              | 19              | 763,840              | 19              | 1,107,887            | 19              |
| RHODE ISLAND.....                                        | 8,043                | 0               | 8,907                | 0               | 12,919               | 0               |
| SOUTH CAROLINA.....                                      | 2,276,361            | 20              | 2,520,896            | 20              | 3,656,353            | 20              |
| SOUTH DAKOTA.....                                        | 6,030,749            | 0               | 6,678,593            | 0               | 9,686,751            | 0               |
| TENNESSEE.....                                           | 965,241              | 22              | 1,068,930            | 22              | 1,550,395            | 22              |
| TEXAS.....                                               | 18,781,993           | 33              | 20,799,620           | 33              | 29,988,143           | 33              |
| UTAH.....                                                | 102,557              | 0               | 113,574              | 0               | 164,730              | 0               |
| VERMONT.....                                             | 26,142               | 0               | 28,950               | 0               | 41,990               | 0               |
| VIRGINIA.....                                            | 2,000,865            | 0               | 2,215,805            | 0               | 3,213,843            | 0               |
| WASHINGTON.....                                          | 4,190,757            | 20              | 4,640,943            | 20              | 6,731,307            | 20              |
| WEST VIRGINIA.....                                       | 78,426               | 0               | 86,851               | 0               | 125,969              | 0               |
| WISCONSIN.....                                           | 979,318              | 0               | 1,084,520            | 0               | 1,573,007            | 0               |
| WYOMING.....                                             | 353,922              | 0               | 391,942              | 0               | 568,480              | 0               |
| <b>TOTAL ADMINISTRATIVE<br/>&amp; OPERATING EXPENSE.</b> | <b>\$201,092,000</b> | <b>862</b>      | <b>\$223,594,000</b> | <b>865</b>      | <b>\$314,429,000</b> | <b>865</b>      |



## FEDERAL CROP INSURANCE CORPORATION

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Federal Crop Insurance Corporation Fund

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, [\$162,939,000] \$286,693,000 of which [\$28,862,000] \$117,368,000 is to reimburse the Federal Crop Insurance Corporation Fund for agents' commissions and loss adjustment obligations incurred during prior years, but not previously reimbursed, as provided for under the provisions of section 516(a) of the Act.

## FEDERAL CROP INSURANCE CORPORATION

Federal Crop Insurance Corporation Fund - Current Law

|                                |                       |
|--------------------------------|-----------------------|
| Appropriation Act, 1990.....   | \$162,939,000         |
| Budget Estimate, 1991.....     | 286,693,000           |
| Increase in Appropriation..... | <u>+\$123,754,000</u> |

Federal Crop Insurance Corporation Fund - Proposed Legislation

|                                                   |                     |
|---------------------------------------------------|---------------------|
| Budget Estimate, Current Law, 1991.....           | 286,693,000         |
| Change due to Proposed Legislation.....           | <u>-286,693,000</u> |
| Net request, President's 1991 Budget Request..... | <u>-0-</u>          |

SUMMARY OF INCREASES AND DECREASES - CURRENT LAW  
(On Basis of Appropriation)

| ITEM OF CHANGE:                                    | 1990<br>Estimated  | Program<br>Changes  | 1991<br>Estimated  |
|----------------------------------------------------|--------------------|---------------------|--------------------|
| 1. Premium Subsidy.....                            | \$134,077,000      | +\$35,248,000       | \$169,325,000      |
| 2. Reimbursement of A&O<br>Expenses Paid by Fund.. | 28,862,000         | +88,506,000         | 117,368,000        |
| Total Available.....                               | <u>162,939,000</u> | <u>+123,754,000</u> | <u>286,693,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)  
Current Law

|                      | : 1989 Actual | : 1990 (Est.) | :              | : 1991 (Est.) |
|----------------------|---------------|---------------|----------------|---------------|
|                      | : Amount      | : Amount      | : Increase     | : Amount      |
| ITEM OF CHANGE:      | :             | :             | :              | :             |
| 1. Premium Subsidy : | \$112,000,000 | \$134,077,000 | +\$35,248,000  | \$169,325,000 |
| 2. Reimbursement of: | :             | :             | :              | :             |
| Admin. & Oper. :     | :             | :             | :              | :             |
| Exp. Pd. by Fund:    | -0-           | 28,862,000    | +88,506,000    | 117,368,000   |
| Total Available....: | \$112,000,000 | \$162,939,000 | +\$123,754,000 | \$286,693,000 |



PROJECT STATEMENT  
(On basis of available funds)  
Current Law

|                     | 1989          | 1990          | Increase(+): | 1991          |
|---------------------|---------------|---------------|--------------|---------------|
|                     | Actual        | Estimated     | Decrease(-): | Estimated     |
| FCIC FUND:          |               |               |              |               |
| Indemnities:        |               |               |              |               |
| Reinsurance.....    | 1,134,985,800 | 867,825,000   | +12,488,850  | 880,313,850   |
| Government.....     | 185,679,080   | 130,986,375   | +1,867,525   | 132,853,900   |
| Administrative Exp: |               |               |              |               |
| Paid from Fund..    | 147,130,000   | 76,204,750    | -76,204,750  | 0             |
| Total Expenses...   | 1,467,794,880 | 1,075,016,125 | -61,848,375  | 1,013,167,750 |
| Offsetting collec-  |               |               |              |               |
| tions from non-     |               |               |              |               |
| Federal sources.    | -579,950,054  | -504,375,000  | -528,750     | -504,903,750  |
| Unobligated Bal.-   |               |               |              |               |
| Start of Year...    | -761,264,000  | -385,419,174  | +257,702,125 | -127,717,049  |
| CCC Transfers....   | -400,000,000  | -150,000,000  | -149,000,000 | -299,000,000  |
| Unobligated Bal.-   |               |               |              |               |
| available EOY...    | 385,419,174   | 127,717,049   | +77,429,000  | 205,146,049   |
| TOTAL               |               |               |              |               |
| APPROPRIATION....   | \$112,000,000 | \$162,939,000 | +123,754,000 | \$286,693,000 |

EXPLANATION OF PROGRAM

The Federal Crop Insurance Act of 1980, as amended, authorizes the payment of up to 30 percent of the adjusted insurance premium of each producer participating in the program. Subsidies will be paid by the Corporation based upon 30 percent of the risk premium (reduced, where applicable, for hail and fire exclusion) on any coverage under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised yield, and encourage the broadest possible participation of agricultural producers in the program.

The Corporation's budget is presented in accordance with Generally Accepted Accounting Principles (GAAP), Financial Accounting Standards Board (FASB), Statement No. 5, "Accounting for Contingencies," and/or Statement No. 60, "Accounting and Reporting by Insurance Enterprises."

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$35,248,000 for premium subsidy (\$134,077,000 available in fiscal year 1990).

Need for Change. The Federal Crop Insurance Act, as amended, authorizes the Corporation to subsidize producers' premiums. The amount of subsidy required for fiscal year 1991 is \$169,925,000 or 25 percent of the total premium of \$677,300,000. This compares with \$162,500,000, which is the subsidy required to support a premium level of \$650 million in FY 1990. However, the amount appropriated for 1990 was only \$134,077,000 which was based on a lower premium level at the time the 1990 budget was prepared. Therefore, of this \$35,248,000 increase, \$6,825,000 represents the impact of inflation on the 1990 level of business; the remaining \$28,423,000 represents recovery of previous year's costs.

Nature of Change. This increase will provide premium subsidy of 25 percent of the total premium level estimated for FY 1991.

- (2) An increase of \$88,506,000 for reimbursement of Administrative and Operating Expenses paid by the Fund (\$28,862,000 reimbursed in fiscal year 1990).

Need for Change. The Federal Crop Insurance Act, as amended, allows for reimbursement to the Fund for agents' commissions, overhead, and loss adjustment costs incurred during prior years and paid from the Fund, but not previously reimbursed. In fiscal year 1989, the premium level was about \$800.0 million rather than the \$527.0 million in the Budget. This increase resulted in a total of \$146.2 million of additional administrative costs which had to be paid out of the Fund. In 1990, \$28.9 million was appropriated to the Fund for estimated 1989 administrative expenses, leaving \$88.5 million which we are requesting in 1991.

Nature of Change. This increase represents the reimbursement of FY 1989 administrative and operating costs paid by the Fund and not yet reimbursed.

FEDERAL CROP INSURANCE CORPORATION  
FEDERAL CROP INSURANCE FUND  
SUMMARY OF PROPOSED LEGISLATION  
SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

| ITEM OF CHANGE:                                                                   | 1991                 |                       |                        |
|-----------------------------------------------------------------------------------|----------------------|-----------------------|------------------------|
|                                                                                   | Current<br>Law       | Program<br>Changes    | Presidents'<br>Request |
| 1. Premium Subsidy.....                                                           | \$169,325,000        | -\$169,325,000        | -0-                    |
| 2. Reimbursement of Admin-<br>istrative & Operating<br>Expenses Paid by Fund..... | 117,368,000          | -117,368,000          | -0-                    |
| Total Available.....                                                              | <u>\$286,693,000</u> | <u>-\$286,693,000</u> | <u>-0-</u>             |

Explanation of Proposed Legislation

The Administration will propose legislation to terminate the current crop insurance program effective with the 1991 crop year. The program has not been able to provide adequate risk protection for farmers at a reasonable cost to taxpayers. Further, ad hoc disaster legislation was enacted in both 1988 and 1989. The Administration will work closely with Congress to fashion a permanent disaster assistance program which can provide an effective safety net for farmers and ranchers.

For 1991, the Department is submitting budget estimates under proposed and existing legislation. Under proposed legislation, the 1991 program level and outlays reflect only carryover obligations from the prior crop year and a small amount of 1991 administrative obligations. Under existing legislation, the 1991 estimates assume continuation of the existing program at about the same level of premium and indemnities as estimated for the 1990 crop year.

Participation in the 1990 crop year under both proposed and existing legislation is estimated to decline somewhat from the record levels achieved in 1989 following the 1988 drought. Total premium is estimated to decline from \$800.0 million in 1989 to \$650.0 million in 1990. Loss ratios, the ratio of indemnities to total premium, are also assumed to improve from 1.70 in 1989 to 1.50 in 1990.

UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION  
Geographic Breakdown Of Obligations And Staff-Years  
1989 Actual and estimated 1990 and 1991

|                        | 1989 Actual     |             | 1990 Estimated  |             | 1991 Estimated  |             |
|------------------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
|                        | Amount          | Staff-Years | Amount          | Staff-Years | Amount          | Staff-Years |
| <u>UNDISTRIBUTED *</u> |                 |             |                 |             |                 |             |
| Federal Crop Insurance |                 |             |                 |             |                 |             |
| Crop Insurance Fund:   |                 |             |                 |             |                 |             |
| Reinsurance.....       | \$1,134,485,800 | -0-         | \$867,825,000   | -0-         | \$880,313,850   | -0-         |
| Government.....        | 185,679,080     | -0-         | 130,986,375     | -0-         | 132,853,900     | -0-         |
| Administrative Exp.    |                 |             |                 |             |                 |             |
| Paid by Fund.....      | 147,130,000     | -0-         | 76,204,750      | -0-         | 0               | -0-         |
| TOTAL, FCIC FUND.....  | \$1,467,794,880 | 0           | \$1,075,016,125 | 0           | \$1,013,167,750 | 0           |

\* Because of the unpredictability of the location of sales and losses, it is impractical to estimate the State cost distribution at this time.

## FARMERS HOME ADMINISTRATION

Purpose Statement

The Farmers Home Administration was established November 1, 1946, by the Farmers Home Administration Act of 1946. Farmers Home Administration's program activities include:

## FARMER PROGRAMS:

Farm ownership loans - are made to farmers and ranchers who are or will be owner operators of a not larger than family-size farm and who cannot obtain credit elsewhere to improve or acquire farms, refinance debts, finance non-farm enterprises, or make additions to farms. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to 1 percent additional. However, loans to limited resource borrowers bear interest of not more than one-half of the cost-of-money but not less than 5 percent per year and will be increased when periodic reviews indicate a borrower is able to pay an increased rate up to the cost-of-money rate. The applicable interest rate is increased by 2 percent if the project being financed involves the use of prime farmland for non-farm purposes. The interest rate for guaranteed loans is negotiated by the lender and borrower. The term for farm ownership loans is usually 30 years, but may be up to 40 years when the longer term is needed.

Operating loans - provide short-to-intermediate term production or chattel credit to farmers who are or will be the operators of a not larger than family-size farm and who cannot obtain credit elsewhere. Loan terms include a repayment period not to exceed 7 years but may be rescheduled for up to 15 additional years. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to 1 percent additional. However, loans to limited resource borrowers bear interest at a rate 3 percent below the cost-of-money and will be increased when periodic reviews indicate a borrower is able to pay an increased rate up to the cost-of-money rate. The interest rate is increased by 2 percent if the project being financed involves the use of prime farmland for non-farm purposes. The interest rate for guaranteed loans is negotiated by the lender and borrower.

Emergency disaster loans - are made to farmers in counties declared as emergency disaster areas or in contiguous counties to restore production. Family farmers who cannot get credit elsewhere are eligible for actual loss loans of up to \$500,000 per disaster at a rate of 4.5 percent. Repayment terms for actual loss loans vary according to the purposes of the loan, type of collateral available to secure the loan, and the projected repayment ability of the borrower. Loans for actual production or physical losses to crops, livestock, supplies and equipment may be scheduled for repayment for up to seven years. Under some conditions a longer repayment period may be authorized for production loss loans, but not to exceed 20 years. Generally, real estate will be needed as security when more than seven years is authorized. Loss loans for actual losses to real estate will generally be scheduled for repayment within 30 years but under some conditions may be scheduled for up to 40 years.

Soil and water loans - are made to farmers, ranchers and non-operator owners for land and water development, use, and conservation. Loans are repayable in not more than 40 years. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to 1 percent additional. The interest rate is increased by 2 percent if the project being financed



involves the use of prime farmland for non-farm purposes. Guaranteed loans bear an interest rate negotiated by the lender and the borrower.

State mediation grants - are made to States which have been certified by FmHA as having an agricultural loan mediation program which meets the requirements for certification. Grants will be solely for operation and administration of the State's Agricultural Loan Mediation Program. A grant will not exceed 50 percent of the total fiscal year funds that a qualifying State requires to operate and administer its Agricultural Loan Mediation Program. In no case will the total amount of a grant exceed \$500,000 annually.

#### HOUSING PROGRAMS:

Section 502 - Subsidized housing loans - are made to repair or purchase new or existing housing in order to provide very low-income and low-income rural residents who cannot obtain credit elsewhere, with a modest, safe, and sanitary single family dwelling at rates and terms they are able to afford. Families are eligible who meet certain criteria and qualify for interest credit which reduces the effective interest rate for the borrower to as low as 1 percent. Loans are repayable normally in 33 years, or 38 years under certain conditions. Not less than 40 percent of the funding authorized nationally is to be set aside for very low-income families or persons, and not less than 30 percent of the funding allocated to each State is to be available for very low-income families or persons.

Section 502 - Nonsubsidized housing loans - are made to finance equity and make repairs in connection with transfers, repairs and renovation to existing borrower dwellings, and repairs to suitable inventory dwellings in connection with credit sales; or to low or very low-income applicants that are otherwise eligible for the program but do not require interest credit assistance under the interest credit formula. This credit is made available to those who cannot obtain credit elsewhere. The interest rate is based on Treasury's cost-of-money. The term for repayment is normally 33 years.

Section 515 - Rural rental and cooperative housing loans - are made to individuals, corporations, associations, State or local public agencies, trusts, or partnerships to provide moderate cost rental or cooperative housing and related facilities for elderly persons and other persons of low-income and very low-income or moderate-income in rural areas. These loans are repayable in not more than 50 years, and the interest rate to the borrower is based on Treasury's cost-of-money with provisions for interest reductions under certain circumstances based on tenant income. These loans, with the exception of loans to State or local public agencies, are made only if the need for necessary housing cannot be met with financial assistance from other sources. Loans may also be made to provide equity payments to borrowers whose Section 515 loans could otherwise be prepaid and removed from the program. Equity loans can also be made to nonprofit organizations and public agencies wishing to purchase projects that are eligible for prepayment.

Section 521 - Rural rental assistance payments - are made to owners of FmHA financed rental projects in order to make housing affordable to very low-income occupants at rates commensurate to their incomes. Rental rates to tenants are not to exceed the higher of (1) 30 percent of the monthly adjusted income, (2) 10 percent of monthly income, or (3) the portion of the welfare assistance payments specifically designated for housing costs in the case of a person or a family receiving such assistance. Starting in fiscal year 1989, Congress authorized and appropriated assistance under Section 502(c)(5)(D) for debt forgiveness or payments to eligible households of subsidized tenant rents in projects purchased by eligible

nonprofit organizations or public agencies to prevent diversion of low-income rental housing by virtue of Section 515 loan prepayment. The Agency plans to use the subsidy payment mechanism of the rental assistance program to accomplish this mandate.

Section 504 - Very low-income housing repair grants - are made to low-income persons to make necessary repairs to their dwellings in order to make them safe and remove health hazards to the families or the community. Recipients must be 62 years of age or older, handicapped, or disabled and unable to repay a loan. These grants carry a lifetime assistance limitation of \$5,000 per recipient.

Section 504 - Very low-income housing repair loans - are made to very low income persons to repair or improve their dwellings in order to make them safe and sanitary or to remove health hazards to the families or the community. Loans are made at a 1 percent interest rate for not more than 20 years. The maximum loan assistance for section 504 repair purposes is \$15,000.

Section 514 - Rural housing for domestic farm labor loans - are made to farm owners, to public or private nonprofit organizations, or to nonprofit organizations of farm workers to provide modest living quarters, basic household furnishings, and related facilities for farm workers. The loans are repayable in not more than 33 years and bear interest not in excess of 1 percent, except under certain circumstances. The interest rate limitation may be waived by the Secretary of Agriculture in favor of a Treasury cost-of-money based interest rate in order to provide needed housing and related facilities for migrant domestic farm laborers if sponsoring farm owners have substantial assets but are unwilling to secure private financing to provide the needed housing. Loans to organizations may be made simultaneously with farm labor housing grants and are made only if the necessary housing cannot be provided with financial assistance from other sources.

Section 516 - Rural housing for domestic farm labor grants - are made to public or broad-based private nonprofit organizations, States or political subdivisions, or nonprofit organizations of domestic farm workers. Grant assistance, not to exceed 90 percent of the total development costs, is provided for new construction or rehabilitation of existing buildings suitable for dwelling use by domestic farm labor. Funds also may be used for essential related facilities such as dining halls, community rooms or buildings, infirmaries or other essential services, including basic household furnishings. These grants may be made simultaneously with domestic farm labor housing loans.

Section 524 - Rural housing site loans - are made for purchase and development of land to be subdivided into building sites and sold on a nonprofit basis to low-income and moderate-income families or to organizations for rental or cooperative housing. Direct loans are made for a 2-year period at an interest rate based on Treasury's cost-of-money.

Section 523 - Mutual and self-help housing grants - are especially designed to aid the development of mutual or self-help housing programs under which groups of families build their own homes by mutually exchanging labor. Grants are used to provide technical and supervisory assistance to rural families who build their homes by the self-help method.

Section 509 - Compensation for construction defects - payments are made to eligible Section 502 borrowers to pay for making structural repairs on newly constructed dwellings built or purchased as approved by the Agency. The assistance must be requested by the owner of the property within 18

months after the loan is closed or final construction inspection is made. Claims will not be paid until provisions under the builder's warranty have been fully pursued.

Section 533 - Housing preservation grants - are made to eligible nonprofit private groups, Indian tribes, or Government agencies for the rehabilitation of single family housing owned by low-income and very low-income rural families and the rehabilitation of rental and cooperative housing for low-income and very low-income rural families.

Self-help housing land and development fund - provides qualified public or private nonprofit organizations with financing for the acquisition and development of rural building sites for houses to be constructed by the self-help method. Loans are made for a 2-year period at an interest rate not to exceed 3 percent.

#### COMMUNITY PROGRAMS:

Community facility loans - are insured loans authorized to be made to public, quasi-public, and nonprofit associations and to certain Indian tribes for essential community facilities including necessary related equipment. Loans are repayable in not more than 40 years. Direct loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where: (1) the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level, and (2) the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent. An intermediate rate based on the poverty rate plus one-half the difference between 5 percent and the market rate, with a ceiling of 7 percent, will apply for those projects that do not meet the requirements for the 5 percent interest rate but are located in areas where the median household income does not exceed 100 percent of the statewide nonmetropolitan median household income. Direct loan recipients also have their choice between the interest rate in effect at the time of loan approval or loan closing. An additional 2 percent is added to the interest rate if projects are built on prime farmland, unless the borrower is a public body and there are no suitable optional sites. Guaranteed loans may be made to borrowers unable to obtain credit elsewhere under similar terms and conditions. The interest rate for guaranteed loans is negotiated between the lender and borrower. Ineligible guaranteed loan transactions include loans involved in tax-exempt obligations and loans involving a FmHA grant.

Water and waste disposal loans - are loans authorized to be made to public, quasi-public, and nonprofit associations, and to certain Indian tribes for the development, replacement, or upgrading of water systems and waste disposal systems. These loans are repayable in not more than 40 years. Direct loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where: (1) the median household income of the service area falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level; and (2) the project is needed to meet applicable health or sanitary standards, bear interest not in excess of 5 percent. An intermediate rate based on the poverty rate plus one-half the difference between 5 percent and the market rate, with a ceiling of 7 percent, will apply for those projects that do not meet the requirements for the 5 percent interest rate but are located in areas where the median household income does not exceed 100 percent of the statewide nonmetropolitan median household income. Guaranteed loans may be made to borrowers unable to obtain credit elsewhere under similar terms and conditions. The interest rate for guaranteed loans is negotiated between the lender and borrower. Ineligible guaranteed loan transactions



include loans involved in tax-exempt obligations and loans involving a FmHA grant.

Water and waste disposal grants - are authorized to be made to public, quasi-public, and nonprofit associations, and to certain Indian tribes for the development, storage, treatment, purification, and distribution of water or the collection, treatment, or disposal of waste in rural areas. Grants are used for water and waste disposal projects servicing the most financially needy communities to reduce user costs to a reasonable level for farmers, ranchers, and other rural residents. Grants may be made to communities that have a median household income that falls below the higher of the poverty line or 100 percent of the State's nonmetropolitan median household income. Grant rates are based on a graduated scale providing higher rates for projects in communities that have lower income levels but may not exceed 75 percent of the development costs of the project. The grant rate for communities whose income level exceeds the poverty line and is more than 80 percent but less than 100 percent of the State's nonmetropolitan median household income may not exceed 55 percent of the development cost of the project. In addition, P.L. 99-193, the Food Security Act of 1985, provided that not less than 1 percent nor more than 2 percent of the water and waste disposal grant funds appropriated each year be made available for technical assistance and training of eligible grantee associations.

Business and industrial guaranteed loans - are guarantees issued to local lenders on loans made to public, private, or cooperative associations organized for profit or nonprofit, to certain Indian tribes or tribal groups, corporate entities, or to individuals for the purpose of improving, developing, or financing business, industry, and employment, and improving the economic and environmental climate in rural communities. These loans are made at rates agreed upon by the borrower and lender with a maturity of 7, 15, or 30 years depending on the collateral offered, with a maximum of \$10 million per loan. Loan guarantees can also be issued through the Drought and Disaster (D&D) and Disaster Assistance for Rural Business Enterprises (DARBE) programs. These programs are designed to help alleviate economic stress on rural business entities caused, directly or indirectly, by natural disasters occurring in 1988 and 1989. The maximum loan principal guaranteed through the D&D program cannot exceed \$500,000 per borrower and \$2,500,000 under the DARBE program.

Rural Development/Intermediary loans - are to be made to intermediary borrowers (i.e., private nonprofit corporations, state or local government agencies, Indian tribes, and cooperatives) who, in turn, will relend the funds to rural businesses, private nonprofit organizations and others meeting the criteria for ultimate recipients. Financial assistance from the intermediary to the ultimate recipient must be for community development projects, the establishment of new businesses and/or the expansion of existing businesses, creation of employment opportunities and/or saving existing jobs. The total amount of FmHA loan funds requested by the intermediary plus the outstanding balance of existing FmHA loan(s) may not exceed \$3,000,000 per intermediary.

Indian tribe land acquisition loans - are made to qualified Indian tribes or tribal corporations to acquire land or interest in land within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior. The interest rate is determined by the Secretary of Agriculture. It does not exceed the cost-of-money to the Government except those tribes who are unable to pay the higher rate currently may be charged a lower interest rate. Loans are repayable in not more than 40 years.

Watershed works of improvement and flood prevention loans - are made to local sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for installing, repairing, or improving watersheds and water storage facilities, purchasing sites or rights-of-way, and related costs. These loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. Total loans outstanding on any one project may not exceed \$10 million.

Resource conservation and development loans - are made to local sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for planned conservation measures and works of improvement as specified in approved work plans. These loans are repayable in not more than 30 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity.

Rural development grants - are industrial development grants to finance and facilitate development of small and emerging private business enterprises in rural areas or cities of up to 50,000 population. Priority is given to applications for projects in open country, rural communities and towns of 25,000 and smaller and economically distressed communities. Industrial development grants include grants made to third party lenders to establish revolving loan programs.

Other rural development grants - are provided from funds transferred from the Appalachian Regional Commission and other Federal organizations for cooperative efforts in rural development. The funded projects focus on basic needed facilities essential to the region's growth and economic development.

General - In fiscal year 1991, the budgeted lending programs will be comprised of insured and guaranteed loans. The term "insured" is defined as loans made from the revolving funds, which are held in a pool as security for certificates of beneficial ownership that are sold to investors. Presently, no certificates of beneficial ownership are being sold. The purchaser's investment is fully insured by the Government against any loss of either principal or interest. Generally, no insured loan is made to anyone who can secure adequate credit from other sources at reasonable rates and terms. The Rural Development Act of 1972 authorized financial assistance to be provided to borrowers by guaranteeing loans made by a Federal or State chartered bank, savings and loan association, cooperative lending agency, or approved lending institution.

The term "guarantee" is defined as "to guarantee the payment of a loss on a loan originated, held, and serviced by a private financial agency or other lender approved by the Secretary." Technical guidance in planning and carrying out sound operations is provided to borrowers on the basis of their individual problems and needs.

As of September 30, 1989, FmHA's portfolio was about 1.5 million loans with principal indebtedness of about \$60 billion. FmHA administers its programs through the Washington Headquarters, 46 State offices, a National Finance Office in St. Louis, Missouri, and approximately 2,200 district and county offices utilizing the services of about 3,000 supervisors and 5,000 local committee members. As of September 30, 1989, there were 15,149 FmHA employees, of which 11,559 were full-time employees in permanent positions. Of these, 545 PFT and 30 others were based in Washington and 11,014 PFT and 3,560 others were in the field.



## Available Funds and Staff Years, 1989 and Estimated 1990 and 1991

(Note: The following table reflects appropriations and transfers from other agencies.)

| Item                                                 | 1989 Actual    |             | 1990 Estimated |             | 1991 Estimated  |             |
|------------------------------------------------------|----------------|-------------|----------------|-------------|-----------------|-------------|
|                                                      | Amount         | Staff Years | Amount         | Staff Years | Amount          | Staff Years |
| Farmers Home Administration                          |                |             |                |             |                 |             |
| Rural housing insurance fund:                        |                |             |                |             |                 |             |
| Reimbursement for interest subsidies and losses..... | 3,660,061,000: | --:         | 2,677,897,000: | --:         | 2,667,186,000:  | --          |
| Guaranteed loan interest subsidy.....                | --:            | --:         | --:            | --:         | 362,460,000:    | --          |
| Rural rental assistance reimbursement.....           | 177,356,989:   | --:         | 212,468,000:   | --:         | 253,496,000:    | --          |
| Subtotal, rural housing insurance fund.....          | 3,837,417,989: | --:         | 2,890,365,000: | --:         | 3,283,142,000:  | --          |
| Agricultural credit insurance fund:                  |                |             |                |             |                 |             |
| Reimbursement for interest subsidies and losses..... | 3,467,596,000: | --:         | 4,120,159,000: | --:         | 6,014,356,000:  | --          |
| State Medication Grants.....                         | 3,000,000:     | --:         | 3,456,000:     | --:         | 2,000,000:      | --          |
| Guaranteed loan interest subsidy.....                | --:            | --:         | --:            | --:         | 33,227,000:     | --          |
| Subtotal, agricultural credit insurance fund.....    | 3,470,596,000: | --:         | 4,123,615,000: | --:         | 6,049,583,000:  | --          |
| Rural development insurance fund:                    |                |             |                |             |                 |             |
| Reimbursement for interest subsidies and losses..... | 1,596,047,000: | --:         | 1,474,499,000: | --:         | 1,666,160,000:  | --          |
| Rural development loan fund.....                     | 11,000,000:    | --:         | 17,318,000:    | --:         | 28,000,000:     | --          |
| Rural water and waste disposal grants.....           | 116,895,000:   | --:         | 207,700,000:   | --:         | 100,000,000:    | --          |
| Rural community fire protection grants.....          | 3,091,000:     | --:         | 3,091,000:     | --:         | --:             | --          |
| Rural housing for domestic farm labor.....           | 9,513,000:     | --:         | 10,862,000:    | --:         | 10,000,000:     | --          |
| Mutual and self-help housing grants.....             | 8,000,000:     | --:         | 8,634,000:     | --:         | --:             | --          |
| Very low income housing repair grants.....           | 12,500,000:    | --:         | 12,500,000:    | --:         | 10,000,000:     | --          |
| Housing voucher program.....                         | --:            | --:         | --:            | --:         | 189,928,000:    | --          |
| Compensation for construction defects.....           | 500,000:       | --:         | 500,000:       | --:         | --:             | --          |
| Rural housing preservation grants.....               | 19,140,000:    | --:         | 19,140,000:    | --:         | 15,000,000:     | --          |
| Rural development grants.....                        | 6,500,000:     | --:         | 16,406,000:    | --:         | --:             | --          |
| Salaries and Expenses:                               |                |             |                |             |                 |             |
| Direct appropriation.....                            | 415,517,497:)  |             | 423,534,000:)  |             | 447,787,000:)   |             |
| Transfer from ACIF.....                              | 1,000,000:)    | 10,026:     | 1,000,000:)    | 9,679:      | 1,000,000:)     | 9,929       |
| Transfer from ACIF and RHIF.....                     | --:)           |             | 3,000,000:)    |             | 3,000,000:)     |             |
| Subtotal, salaries and expenses.....                 | 416,517,497:   | 10,026:     | 427,534,000:   | 9,679:      | 451,787,000:    | 9,929       |
| Total.....                                           | 9,507,717,486: | 10,026:     | 9,212,164,000: | 9,679:      | 11,803,600,000: | 9,929       |

## Available Funds and Staff Years, 1989 and Estimated 1990 and 1991-Continued

| Item                          | 1989 Actual    |                | 1990-Estimated |                | 1991 Estimated  |                |
|-------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|
|                               | Amount         | Staff<br>Years | Amount         | Staff<br>Years | Amount          | Staff<br>Years |
| Other obligations under       |                |                |                |                |                 |                |
| Farmers Home Administration   |                |                |                |                |                 |                |
| accounts:                     |                |                |                |                |                 |                |
| Agricultural credit insur-    |                |                |                |                |                 |                |
| ance fund (emergency loan     |                |                |                |                |                 |                |
| programs administrative       |                |                |                |                |                 |                |
| funds)                        | 103,478,000:   | 2,533:         | 136,733,000:   | 3,135:         | 148,789,000:    | 3,310          |
| Obligations under other USOA  |                |                |                |                |                 |                |
| appropriations:               |                |                |                |                |                 |                |
| Soil Conservation Service:    |                |                |                |                |                 |                |
| Watershed protection &        |                |                |                |                |                 |                |
| flood prevention. ....        | 255,000:       | 8:             | 251,300:       | 7:             | 250,000:        | 7              |
| Resource conservation         |                |                |                |                |                 |                |
| and development. ....         | 60,000:        | 2:             | 59,200:        | 2:             | 59,000:         | 2              |
| Total, Soil Conservation      |                |                |                |                |                 |                |
| Service. ....                 | 315,000:       | 10:            | 310,500:       | 9:             | 309,000:        | 9              |
| Miscellaneous reimbursements: |                |                |                |                |                 |                |
| Agricultural Service          |                |                |                |                |                 |                |
| Centers. ....                 | 240,919:       | --:            | 568,000:       | --:            | 584,000:        | --             |
| Total, Agricultural           |                |                |                |                |                 |                |
| Appropriations. ....          | 9,611,751,405: | 12,569:        | 9,349,775,500: | 12,823:        | 11,953,282,000: | 13,248         |
| Other Federal Funds:          |                |                |                |                |                 |                |
| Other program funds from      |                |                |                |                |                 |                |
| Federal sources:              |                |                |                |                |                 |                |
| Appalachia Regional Devel-    |                |                |                |                |                 |                |
| opment Program Grants. ....   | 16,401,007:    | --:            | 12,000,000:    | --:            | 3,000,000:      | --             |
| Total, other program          |                |                |                |                |                 |                |
| funds. ....                   | 16,401,007:    | --:            | 12,000,000:    | --:            | 3,000,000:      | --             |
| Other administrative funds    |                |                |                |                |                 |                |
| from Federal sources:         |                |                |                |                |                 |                |
| Appalachia Regional Conser-   |                |                |                |                |                 |                |
| vation Program and Econom-    |                |                |                |                |                 |                |
| ic Development Administra-    |                |                |                |                |                 |                |
| tion. ....                    | 49,829:        | 2:             | 60,000:        | 2:             | 60,000:         | 2              |
| Sales of Property through     |                |                |                |                |                 |                |
| GSA. ....                     | 14,230:        | --:            | 15,000:        | --:            | 15,000:         | --             |
| Miscellaneous Receipts        |                |                |                |                |                 |                |
| (health clinic, jury duty,    |                |                |                |                |                 |                |
| etc.).. ....                  | 26,182:        | --:            | 32,000:        | --:            | 32,000:         | --             |
| Total, other administra-      |                |                |                |                |                 |                |
| tive funds. ....              | 90,241:        | 2:             | 107,000:       | 2:             | 107,000:        | 2              |
| Total, other funds. ....      | 16,491,248:    | 2:             | 12,107,000:    | 2:             | 3,107,000:      | 2              |
| Total, Farmers Home           |                |                |                |                |                 |                |
| Administration. ....          | 9,628,242,653: | 12,571:        | 9,361,882,500: | 12,825:        | 11,956,389,000: | 13,250         |

Available Funds and Staff Years, 1989 and Estimated 1990 and 1991-Continued

|                                   | <u>1989</u><br><u>Actual</u> | <u>1990</u><br><u>Estimated</u> | <u>1991</u><br><u>Estimated</u> |
|-----------------------------------|------------------------------|---------------------------------|---------------------------------|
| Full time Equivalent Staff-Years: |                              |                                 |                                 |
| Ceiling.....                      | 12,571                       | 12,825                          | 13,250                          |
| Non Ceiling.....                  | 452                          | 500                             | 500                             |
| Total.....                        | <u>13,023</u>                | <u>13,325</u>                   | <u>13,750</u>                   |

- a/ Includes funds to reimburse FY 1988 losses that were not reimbursed in FY 1990.
- b/ Excludes \$11,000,000 transferred to the Rural Development Loan Fund as authorized by P.L. 100-460.
- c/ Includes funds to reimburse FY 1987 losses that were not reimbursed in FY 1989.
- d/ In addition, \$2,627,962 in repayments to the fund was available in FY 1989, and an estimated \$2,000,000 in repayments will be available in FY 1990 and FY 1991.
- e/ In addition, \$1,239,975 of unobligated balance and \$5,834,110 of recoveries from prior year appropriations were available in 1989 and \$1,270,573 of unobligated balance will be made available in 1990.
- f/ In addition, \$450,011 of unobligated balance and \$1,846,080 of recoveries from prior year appropriations were available in FY 1989 and \$2,074,797 of unobligated balance will be made available in FY 1990.
- g/ In addition, \$8,542,509 of unobligated balance and \$516,766 of recoveries were available in FY 1989 and \$6,859,270 of unobligated balance will be made available in FY 1990.
- h/ In addition, \$61 of unobligated balance will be made available for FY 1990.
- i/ In addition, \$186,184 of unobligated balance will be made available in FY 1990.
- j/ Includes \$600,000 appropriated separately to the Office of the Administrator.

FARMERS HOME ADMINISTRATION  
Permanent Positions by Grade and Staff-Year Summary  
1989 and Estimated 1990 and 1991

| Grade                     | 1989              |        |        |                   | 1990   |        |                   |        | 1991   |                   |        |        |
|---------------------------|-------------------|--------|--------|-------------------|--------|--------|-------------------|--------|--------|-------------------|--------|--------|
|                           | Head-<br>quarters | Field  | Total  | Head-<br>quarters | Field  | Total  | Head-<br>quarters | Field  | Total  | Head-<br>quarters | Field  | Total  |
| Executive Level V         | 1                 | --     | 1      | 1                 | --     | 1      | 1                 | --     | 1      | 1                 | --     | 1      |
| ES-6                      | 1                 | --     | 1      | 1                 | --     | 1      | 1                 | --     | 1      | 1                 | --     | 1      |
| ES-5                      | 3                 | --     | 3      | 3                 | --     | 3      | 3                 | --     | 3      | 3                 | --     | 3      |
| ES-4                      | 2                 | 1      | 3      | 2                 | 1      | 3      | 2                 | 1      | 3      | 2                 | 1      | 3      |
| ES-3                      | 2                 | --     | 2      | 2                 | --     | 2      | 2                 | --     | 2      | 2                 | --     | 2      |
| ES-2                      | 1                 | --     | 1      | 1                 | --     | 1      | 1                 | --     | 1      | 1                 | --     | 1      |
| ES-1                      | 2                 | --     | 2      | 2                 | --     | 2      | 2                 | --     | 2      | 2                 | --     | 2      |
| GS/GM-15                  | 32                | 49     | 81     | 34                | 49     | 83     | 34                | 49     | 83     | 34                | 49     | 83     |
| GS/GM-14                  | 64                | 18     | 82     | 68                | 20     | 88     | 68                | 20     | 88     | 68                | 20     | 88     |
| GS/GM-13                  | 118               | 452    | 570    | 126               | 474    | 600    | 126               | 474    | 600    | 126               | 474    | 600    |
| GS-12                     | 88                | 1,390  | 1,478  | 94                | 1,495  | 1,589  | 94                | 1,499  | 1,593  | 94                | 1,499  | 1,593  |
| GS-11                     | 39                | 1,532  | 1,571  | 42                | 1,542  | 1,584  | 42                | 1,545  | 1,587  | 42                | 1,545  | 1,587  |
| GS-10                     | 1                 | 3      | 4      | 1                 | 63     | 64     | 1                 | 63     | 64     | 1                 | 63     | 64     |
| GS-9                      | 36                | 1,452  | 1,488  | 39                | 1,542  | 1,581  | 39                | 1,545  | 1,584  | 39                | 1,545  | 1,584  |
| GS-8                      | 8                 | 143    | 151    | 9                 | 123    | 132    | 9                 | 123    | 132    | 9                 | 123    | 132    |
| GS-7                      | 41                | 999    | 1,040  | 44                | 1,044  | 1,088  | 44                | 1,047  | 1,091  | 44                | 1,047  | 1,091  |
| GS-6                      | 38                | 1,183  | 1,221  | 41                | 1,236  | 1,277  | 41                | 1,240  | 1,281  | 41                | 1,240  | 1,281  |
| GS-5                      | 25                | 2,410  | 2,435  | 27                | 2,500  | 2,527  | 27                | 2,505  | 2,532  | 27                | 2,505  | 2,532  |
| GS-4                      | 30                | 1,071  | 1,101  | 32                | 1,111  | 1,143  | 32                | 1,113  | 1,145  | 32                | 1,113  | 1,145  |
| GS-3                      | 8                 | 485    | 493    | 9                 | 500    | 509    | 9                 | 501    | 510    | 9                 | 501    | 510    |
| GS-2                      | 4                 | 47     | 51     | 4                 | 49     | 53     | 4                 | 49     | 53     | 4                 | 49     | 53     |
| GS-1                      | --                | 3      | 3      | --                | 3      | 3      | --                | 3      | 3      | --                | 3      | 3      |
| Ungraded Positions        | 3                 | 3      | 6      | 2                 | 2      | 4      | 2                 | 2      | 4      | 2                 | 2      | 4      |
| Total Permanent Positions | 547               | 11,241 | 11,788 | 584               | 11,754 | 12,338 | 584               | 11,779 | 12,363 | 584               | 11,779 | 12,363 |
| Staff Years:<br>Ceiling   | 556               | 12,015 | 12,571 | 590               | 12,235 | 12,825 | 590               | 12,660 | 13,250 | 590               | 12,660 | 13,250 |
| Non-Ceiling               | 9                 | 443    | 452    | 20                | 480    | 500    | 20                | 480    | 500    | 20                | 480    | 500    |
| Total 1/                  | 565               | 12,458 | 13,023 | 610               | 12,715 | 13,325 | 610               | 13,140 | 13,750 | 610               | 13,140 | 13,750 |

1/ Staff-Years of overtime included: 1989, 167; 1990, 185; 1991, 185.

## FARMERS HOME ADMINISTRATION

CLASSIFICATION BY OBJECTSFY 1989 and Estimated FY 1990 and FY 1991

| Personnel Compensation:                                           | <u>FY 1989</u>     | <u>FY 1990</u>     | <u>FY 1991</u>     |
|-------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Headquarters.....                                                 | \$ 17,304,000      | \$ 18,168,000      | \$ 18,643,000      |
| Field... ..                                                       | <u>242,905,000</u> | <u>242,121,000</u> | <u>256,332,000</u> |
| 11 Total personnel compensation....                               | 260,209,000        | 260,289,000        | 274,975,000        |
| 12 Personnel benefits. .. ..                                      | 50,450,000         | 54,889,000         | 62,081,000         |
| 13 Benefits for former personnel...                               | <u>460,404</u>     | <u>600,000</u>     | <u>600,000</u>     |
| Total personnel compensation and<br>benefits.....                 | 311,119,404        | 315,778,000        | 337,656,000        |
| Other Objects:                                                    |                    |                    |                    |
| 21 Travel.....                                                    | 15,490,000         | 16,484,000         | 17,132,000         |
| 22 Transportation of things.....                                  | 2,095,000          | 2,362,000          | 2,488,000          |
| 23.2 Rental payments to others....                                | 14,006,000         | 15,955,000         | 17,725,000         |
| 23.3 Communications, utilities and<br>miscellaneous charges. .... | 27,396,000         | 29,647,000         | 28,818,000         |
| 24 Printing and reproduction .....                                | 4,017,000          | 3,882,000          | 4,141,000          |
| 25 Other services.....                                            | 29,648,000         | 34,453,000         | 34,915,000         |
| 26 Supplies and materials.....                                    | 3,227,000          | 4,195,000          | 4,501,000          |
| 31 Equipment.....                                                 | 2,868,094          | 4,488,000          | 4,096,000          |
| 41 Grants, subsidies and<br>contributions.....                    | 187,143,542        | 292,679,000        | 326,928,000        |
| 42 Insurance claims and<br>indemnities.....                       | 429,725            | 258,000            | 275,000            |
| 43 Interest and dividends.....                                    | <u>20,416</u>      | <u>32,000</u>      | <u>40,000</u>      |
| Total other objects.....                                          | <u>286,340,777</u> | <u>404,435,000</u> | <u>441,059,000</u> |
| <u>000</u>                                                        |                    |                    |                    |
| Total direct obligations.....                                     | <u>597,460,181</u> | <u>720,213,000</u> | <u>778,715,000</u> |
| Position Data:                                                    |                    |                    |                    |
| Average Salary, ES positions.....                                 | \$75,392           | \$78,117           | \$94,875           |
| Average Salary, GS positions.....                                 | \$25,555           | \$26,575           | \$27,505           |
| Average Grade, GS positions.....                                  | 7.83               | 7.86               | 7.86               |



FARMERS HOME ADMINISTRATION  
COMPARISON OF LOAN DELINQUENT RATE  
(Dollars in Thousands)

| September 30, 1988                                |           |                                   |         |                |                            |                      |  |           |                                   |         |                | September 30, 1989         |                |  |        |                                   |        |                      |                            |                |  |  |  |
|---------------------------------------------------|-----------|-----------------------------------|---------|----------------|----------------------------|----------------------|--|-----------|-----------------------------------|---------|----------------|----------------------------|----------------|--|--------|-----------------------------------|--------|----------------------|----------------------------|----------------|--|--|--|
| All Borrowers                                     |           |                                   |         |                |                            | Borrowers Delinquent |  |           |                                   |         |                | All Borrowers              |                |  |        |                                   |        | Borrowers Delinquent |                            |                |  |  |  |
|                                                   | Number    | Amount<br>of Loans<br>Outstanding | Number  | %<br>of<br>Del | Amount<br>of<br>Delinquent | %<br>of<br>All       |  | Number    | Amount<br>of Loans<br>Outstanding | Number  | %<br>of<br>Del | Amount<br>of<br>Delinquent | %<br>of<br>All |  | Number | Amount<br>of Loans<br>Outstanding | Number | %<br>of<br>Del       | Amount<br>of<br>Delinquent | %<br>of<br>All |  |  |  |
| Agricultural Credit Insurance Fund:               |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Individual Loans:                                 |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Farm Ownership 1/.....                            | 114,839   | \$7,301,783                       | 28,179  | 25             | \$614,788                  | 8                    |  | 109,389   | \$7,046,148                       | 23,775  | 22             | \$627,769                  | 9              |  |        |                                   |        |                      |                            |                |  |  |  |
| Farm Operating.....                               | 109,083   | 5,698,319                         | 41,871  | 38             | 1,441,802                  | 25                   |  | 98,225    | 5,228,705                         | 35,006  | 36             | 1,349,425                  | 26             |  |        |                                   |        |                      |                            |                |  |  |  |
| Recreation.....                                   | 160       | 10,512                            | 48      | 30             | 2,028                      | 19                   |  | 152       | 10,040                            | 44      | 29             | 2,408                      | 24             |  |        |                                   |        |                      |                            |                |  |  |  |
| Emergency Disaster.....                           | 97,634    | 8,413,455                         | 43,080  | 44             | 4,801,549                  | 45                   |  | 88,575    | 7,682,569                         | 35,082  | 40             | 4,629,892                  | 60             |  |        |                                   |        |                      |                            |                |  |  |  |
| Economic Emergency.....                           | 41,286    | 3,376,279                         | 20,481  | 50             | 1,408,611                  | 42                   |  | 37,120    | 3,065,117                         | 17,267  | 47             | 1,342,778                  | 44             |  |        |                                   |        |                      |                            |                |  |  |  |
| Soil and Water.....                               | 13,712    | 264,346                           | 4,108   | 30             | 52,615                     | 20                   |  | 12,873    | 249,177                           | 3,468   | 27             | 53,219                     | 21             |  |        |                                   |        |                      |                            |                |  |  |  |
| Association Loans:                                |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Irrigation and Drainage..                         | 160       | 16,169                            | 16      | 10             | 1,529                      | 9                    |  | 147       | 14,626                            | 12      | 8              | 1,978                      | 14             |  |        |                                   |        |                      |                            |                |  |  |  |
| Grazing.....                                      | 236       | 54,307                            | 13      | 6              | 3,455                      | 6                    |  | 226       | 49,224                            | 9       | 4              | 3,973                      | 8              |  |        |                                   |        |                      |                            |                |  |  |  |
| Recreation.....                                   | 568       | 56,052                            | 19      | 3              | 1,037                      | 2                    |  | 539       | 52,072                            | 9       | 2              | 292                        | 1              |  |        |                                   |        |                      |                            |                |  |  |  |
| Indian Tribe Land Acq....                         | 29        | 86,496                            | 1       | 3              | 188                        | 0                    |  | 30        | 85,959                            | 1       | 3              | 262                        | 0              |  |        |                                   |        |                      |                            |                |  |  |  |
| Watershed Protection &<br>Flood Prevention.....   | 232       | 70,697                            | 4       | 2              | 426                        | 1                    |  | 222       | 75,258                            | 4       | 2              | 367                        | 0              |  |        |                                   |        |                      |                            |                |  |  |  |
| Resource Conservation &<br>Development.....       | 131       | 12,947                            | 10      | 8              | 664                        | 5                    |  | 123       | 11,183                            | 8       | 7              | 748                        | 7              |  |        |                                   |        |                      |                            |                |  |  |  |
| Total, ACIF.....                                  | 378,070   | 25,361,362                        | 137,830 | 37             | 8,328,694                  | 33                   |  | 347,621   | 23,570,078                        | 114,685 | 33             | 8,013,111                  | 34             |  |        |                                   |        |                      |                            |                |  |  |  |
| Rural Housing Insurance Fund                      |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Low to Mod.-Inc. Hous. Lns:                       |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Repair (Section 504).....                         | 26,887    | 55,832                            | 2,627   | 10             | 2,904                      | 5                    |  | 27,251    | 56,875                            | 2,653   | 10             | 534                        | 1              |  |        |                                   |        |                      |                            |                |  |  |  |
| General Purpose (Sec. 502):                       |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Interest Credit.....                              | 370,232   | 12,215,960                        | 66,693  | 18             | 53,912                     | 0                    |  | 364,044   | 12,243,239                        | 69,199  | 19             | 56,418                     | 0              |  |        |                                   |        |                      |                            |                |  |  |  |
| Non-Interest Credit.....                          | 360,495   | 6,016,319                         | 69,268  | 19             | 240,150                    | 4                    |  | 355,120   | 6,117,465                         | 67,828  | 19             | 198,687                    | 3              |  |        |                                   |        |                      |                            |                |  |  |  |
| Above Moderate-Income Hous.                       |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Loans (Section 502).....                          | 13,646    | 209,880                           | 1,067   | 8              | 650                        | 0                    |  | 15,221    | 249,664                           | 1,163   | 8              | 2,175                      | 1              |  |        |                                   |        |                      |                            |                |  |  |  |
| Domestic Farm Labor Loans<br>(Section 514).....   | 1,282     | 134,738                           | 194     | 15             | 2,143                      | 2                    |  | 1,286     | 135,964                           | 140     | 11             | 1,575                      | 1              |  |        |                                   |        |                      |                            |                |  |  |  |
| Rental or Cooperative Loans<br>(Section 515)..... | 14,678    | 8,279,310                         | 1,166   | 8              | 29,728                     | 0                    |  | 15,197    | 8,859,536                         | 629     | 4              | 29,378                     | 0              |  |        |                                   |        |                      |                            |                |  |  |  |
| Site Lns (Sec 523 & 524) 2/                       | 2         | 863                               | 1       | 50             | 7                          | 1                    |  | 2         | 118                               | 2       | 100            | 119                        | 101            |  |        |                                   |        |                      |                            |                |  |  |  |
| Total, RHIF.....                                  | 787,222   | 26,912,902                        | 141,016 | 18             | 329,494                    | 1                    |  | 778,121   | 27,662,861                        | 141,614 | 18             | 288,886                    | 1              |  |        |                                   |        |                      |                            |                |  |  |  |
| Rural Development Insur. Fund                     |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Community Facilities Loans:                       |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Water and Waste.....                              | 7,907     | 4,038,502                         | 91      | 1              | 8,502                      | 0                    |  | 6,568     | 2,852,341                         | 69      | 1              | 8,341                      | 0              |  |        |                                   |        |                      |                            |                |  |  |  |
| Other Community Facilities                        | 1,843     | 1,000,578                         | 38      | 2              | 3,931                      | 0                    |  | 1,700     | 855,994                           | 30      | 2              | 4,210                      | 0              |  |        |                                   |        |                      |                            |                |  |  |  |
| Insured Business and<br>Industry Loans.....       | 25        | 36,915                            | 6       | 24             | 1,683                      | 5                    |  | 23        | 20,216                            | 5       | 22             | 845                        | 4              |  |        |                                   |        |                      |                            |                |  |  |  |
| Total, RDIF.....                                  | 9,775     | 5,075,995                         | 135     | 1              | 14,116                     | 0                    |  | 8,291     | 3,728,551                         | 104     | 1              | 13,396                     | 0              |  |        |                                   |        |                      |                            |                |  |  |  |
| Community Service Adminis. 3/                     |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Economic Opportunity Loans:                       |           |                                   |         |                |                            |                      |  |           |                                   |         |                |                            |                |  |        |                                   |        |                      |                            |                |  |  |  |
| Individual.....                                   | 214       | 316                               | 191     | 89             | 301                        | 95                   |  | 108       | 160                               | 95      | 88             | 151                        | 94             |  |        |                                   |        |                      |                            |                |  |  |  |
| Cooperative.....                                  | 38        | 2,669                             | 17      | 45             | 1,298                      | 49                   |  | 25        | 2,273                             | 8       | 22             | 1,125                      | 49             |  |        |                                   |        |                      |                            |                |  |  |  |
| Total, CSA.....                                   | 252       | 2,985                             | 208     | 83             | 1,599                      | 54                   |  | 133       | 2,433                             | 103     | 77             | 1,276                      | 52             |  |        |                                   |        |                      |                            |                |  |  |  |
| Total, FmHA.....                                  | 1,175,319 | 57,353,244                        | 279,189 | 24             | 8,673,903                  | 15                   |  | 1,134,166 | 54,963,923                        | 256,504 | 23             | 8,316,669                  | 15             |  |        |                                   |        |                      |                            |                |  |  |  |

1/ Includes non-farm enterprise loans.

2/ Activity for Section 523 Site Loans is part of the Self-Help Land Development Fund.

3/ FmHA is responsible only for servicing on Equal Opportunity Loans, the last of which were made in FY 1974.

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Farmers Home Administration  
Summary of Program Levels: FY 1989 - FY 1991  
(Dollars in Thousands)

|                                           | FY 1989 ACTUAL<br>NUMBER | AMOUNT           | FY 1990 CURRENT<br>NUMBER | ESTIMATE<br>AMOUNT | FY 1991 PRESIDENT<br>NUMBER | BUDGET<br>AMOUNT |
|-------------------------------------------|--------------------------|------------------|---------------------------|--------------------|-----------------------------|------------------|
| <b>AGRICULTURAL CREDIT INSURANCE FUND</b> |                          |                  |                           |                    |                             |                  |
| Direct Farm Ownership Loans               | 1,172                    | 94,933           | 950                       | 80,000             | 440                         | 38,500           |
| Guaranteed Farm Ownership Lns             | 2,139                    | 305,159          | 4,850                     | 719,279            | 970                         | 150,000          |
| Farm Operating Loans                      | 20,517                   | 856,018          | 21,500                    | 932,500            | 11,060                      | 500,000          |
| Guaranteed Farm Operating Lns             | 9,863                    | 879,174          | 24,980                    | 2,315,985          | 26,915                      | 2,600,000        |
| Direct Emergency Disaster Lns             | 2,806                    | 73,493           | 3,670                     | 100,000            | 880                         | 25,000           |
| Direct Soil and Water Loans               | 348                      | 5,499            | 335                       | 5,500              | 0                           | 0                |
| Guaranteed Soil and Water Lns             | 12                       | 440              | 39                        | 1,480              | 0                           | 0                |
| Indian Land Acquisition Loans             | 1                        | 120              | 2                         | 1,000              | 0                           | 0                |
| Watershed and Flood Prev.Lns              | 0                        | 0                | 1                         | 4,000              | 0                           | 0                |
| Resource, Conserv and Dev Lns             | 0                        | 0                | 1                         | 600                | 0                           | 0                |
| Interest Buy-Down Program                 | (2241)                   | 15,376           | (6850)                    | 50,000             | (6565)                      | 50,000           |
| State Mediation Grants                    | 17                       | 3,000            | 19                        | 3,456              | 10                          | 2,000            |
| <b>SUBTOTAL ACIF</b>                      | <b>36,875</b>            | <b>2,233,212</b> | <b>56,347</b>             | <b>4,213,800</b>   | <b>40,275</b>               | <b>3,365,500</b> |
| ACIF DIRECT LOANS                         | 24,844                   | 1,030,063        | 26,459                    | 1,123,600          | 12,380                      | 563,500          |
| ACIF GUARANTEED LOANS                     | 12,014                   | 1,184,773        | 29,869                    | 3,036,744          | 27,885                      | 2,750,000        |
| OTHER ACIF PROGRAMS                       | 17                       | 18,376           | 19                        | 53,456             | 10                          | 52,000           |
| <b>RURAL HOUSING INSURANCE FUND</b>       |                          |                  |                           |                    |                             |                  |
| Sec 502 Dir Single Fam Housing            | 35,452                   | 1,266,863        | 36,610                    | 1,310,804          | 20,760                      | 609,000          |
| Sec 502 Guar Single Fam Hous              | 0                        | 0                | 0                         | 0                  | 13,130                      | 594,000          |
| Sec 515 Dir Multi-Fam Housing             | 759                      | 554,934          | 750                       | 571,870            | 600                         | 391,000          |
| Sec 504 Housing Repair Loans              | 3,437                    | 11,307           | 3,260                     | 11,173             | 3,140                       | 11,100           |
| Sec 514 Farm Labor Hsg Loans              | 70                       | 11,446           | 66                        | 11,321             | 100                         | 16,250           |
| Sec 524 RH Site Dev Loans                 | 1                        | 428              | 2                         | 562                | 0                           | 0                |
| Sec 521 Rental Assistance                 | 2,090                    | 275,302          | 2,190                     | 296,317            | 1,910                       | 258,000          |
| Sec 502 Rental Assistance                 | 1                        | 88               | 50                        | 5,000              | 110                         | 11,800           |
| <b>SUBTOTAL RHIF</b>                      | <b>41,810</b>            | <b>2,120,368</b> | <b>42,928</b>             | <b>2,207,047</b>   | <b>39,750</b>               | <b>1,891,150</b> |
| RHIF DIRECT LOANS                         | 39,719                   | 1,844,978        | 40,688                    | 1,905,730          | 24,600                      | 1,027,350        |
| RHIF GUARANTEED LOANS                     | 0                        | 0                | 0                         | 0                  | 13,130                      | 594,000          |
| OTHER RHIF PROGRAMS                       | 2,091                    | 275,390          | 2,240                     | 301,317            | 2,020                       | 269,800          |
| <b>HOUSING SUPPORT PROGRAMS</b>           |                          |                  |                           |                    |                             |                  |
| Sec 516 Farm Labor Hsg Grants             | 11                       | 9,734            | 14                        | 12,937             | 11                          | 10,000           |
| Sec 504 Housing Repair Grants             | 3,684                    | 12,500           | 3,542                     | 12,500             | 2,720                       | 10,000           |
| Sec 523 Mutual S/H Hsg Grants             | 35                       | 10,200           | 48                        | 15,493             | 0                           | 0                |
| Sec 509 Construction Defects              | 69                       | 314              | 145                       | 686                | 0                           | 0                |
| Sec 523 Self-Hous Land Dev Lns            | 1                        | 500              | 1                         | 500                | 0                           | 0                |
| Sec 533 Hous Preservation Gts             | 158                      | 19,140           | 152                       | 19,140             | 114                         | 15,000           |
| Housing Vouchers-RRAP Units               | 0                        | 0                | 0                         | 0                  | 75                          | 189,928          |
| <b>SUBTOTAL HOUSING SUPPORT</b>           | <b>3,958</b>             | <b>52,388</b>    | <b>3,902</b>              | <b>61,256</b>      | <b>2,920</b>                | <b>224,928</b>   |
| <b>RURAL DEVELOPMENT INSURANCE FUND</b>   |                          |                  |                           |                    |                             |                  |
| Direct Water and Waste Loans              | 679                      | 332,880          | 694                       | 350,293            | 576                         | 300,000          |
| Guar Water and Waste Loans                | 0                        | 0                | 124                       | 74,465             | 81                          | 50,000           |
| Dir Community Facility Loans              | 304                      | 95,700           | 291                       | 94,381             | 136                         | 45,700           |
| Guar Community Facility Loans             | 0                        | 0                | 48                        | 23,829             | 97                          | 50,000           |
| Guaranteed B&I Loans                      | 88                       | 95,677           | 85                        | 95,018             | 0                           | 0                |
| Guar B&I Drought/Disaster Lns             | 12                       | 3,445            | 82                        | 70,000             | 80                          | 70,000           |
| <b>SUBTOTAL RDIF</b>                      | <b>1,083</b>             | <b>527,702</b>   | <b>1,324</b>              | <b>707,986</b>     | <b>970</b>                  | <b>515,700</b>   |
| RDIF DIRECT LOANS                         | 983                      | 428,580          | 985                       | 444,674            | 712                         | 345,700          |
| RDIF GUARANTEED LOANS                     | 100                      | 99,122           | 339                       | 263,312            | 258                         | 170,000          |
| OTHER RDIF PROGRAMS                       | 0                        | 0                | 0                         | 0                  | 0                           | 0                |
| <b>RURAL DEVELOPMENT LOAN FUND</b>        |                          |                  |                           |                    |                             |                  |
| Intermediary Relending Loans              | 13                       | 13,628           | 18                        | 19,297             | 27                          | 30,000           |
| <b>SUBTOTAL RDLF</b>                      | <b>13</b>                | <b>13,628</b>    | <b>18</b>                 | <b>19,297</b>      | <b>27</b>                   | <b>30,000</b>    |
| <b>RURAL DEVELOPMENT GRANT PROGRAMS</b>   |                          |                  |                           |                    |                             |                  |
| Water and Waste Grants                    | 344                      | 122,699          | 569                       | 208,970            | 264                         | 100,000          |
| Rural Development Grants                  | 36                       | 6,500            | 35                        | 16,406             | 0                           | 0                |
| <b>SUBTOTAL RD GRANTS</b>                 | <b>380</b>               | <b>129,199</b>   | <b>604</b>                | <b>225,376</b>     | <b>264</b>                  | <b>100,000</b>   |
| <b>TOTAL FHFA PROGRAMS</b>                | <b>84,119</b>            | <b>5,076,497</b> | <b>105,123</b>            | <b>7,434,762</b>   | <b>84,206</b>               | <b>6,117,278</b> |



## FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing Insurance Fund

From funds in the Rural Housing Insurance Fund, and for insured loans as authorized by title V of the Housing Act of 1949, as amended, [\$1,932,490,000] \$1,027,350,000, of which not less than [\$1,881,920,000] \$1,007,350,000 shall be for subsidized interest loans to low-income borrowers, as determined by the Secretary, and for subsequent loans to existing borrowers or to purchasers under assumption agreements or credit sales, and for loans to finance sales or transfers to nonprofit organizations or public agencies of not more than [5,000] 3,000 rental units related to prepayment; and not to exceed \$10,000,000 to enter into collection and servicing contracts pursuant to the provisions of section 1 3(f)(3) of the Federal Claims Act of 1966 (31 U.S.C. 3718). During fiscal year 1991, commitments to guarantee loans may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed \$594,000,000. Further, \$362,460,000 is appropriated from the general fund solely for the purpose of reducing the interest rate, by no more than an average of 5 percent, on guarantees totaling \$297,000,000. No other funds may be added to this amount for the purpose of reducing interest rates.

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) of the Housing Act of 1949, as amended, total new obligations shall not exceed [\$300,310,000] \$258,000,000, to be added to and merged with the authority provided for this purpose in prior fiscal years: Provided, That of this amount not less than [\$124,918,000] \$93,900,000 is available for newly constructed units financed by section 515 of the Housing Act of 1949, as amended, and not more than [\$5,082,000] \$5,100,000 is for newly constructed units financed under sections 514 and 516 of the Housing Act of 1949: Provided further, That [\$170,310,000] \$159,000,000 is available for expiring agreements and for servicing of existing units without agreements: Provided further, That agreements 2 entered into or renewed during fiscal year [1990] 1991 shall be funded for a five-year period, although the life of any such agreement may be extended 3 to fully utilize amounts obligated: Provided further, That agreements entered into or renewed during fiscal years 1986, 1987, 1988, and 1989, may also be extended beyond five years to fully utilize amounts obligated].

For an additional amount to reimburse the Rural Housing Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1483, 1487(e), and 1490a(c)), including [\$1,317,000] \$40,000 as authorized by section 521(c) of the Act, also including not to exceed [\$5,000,000] \$11,800,000 for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act; [\$2,677,897,000] \$2,667,186,000. For an additional amount as authorized by section 521(c) of the Act; such sums as may be necessary to reimburse the fund to carry out a rental assistance program under section 521(a)(2) of the Housing Act of 1949, as amended.

The first change adds new language to provide not to exceed \$594 million of guaranteed loans in addition to the insured loans authorized. Of the \$594 million, one-half (\$297 million) may be subsidized by interest subsidy payments to lenders to lower borrower payments. The language sets a maximum limit on the average subsidy rate (5 percent) on the total guaranteed loans subsidized. It also provides new appropriation language to appropriate \$362,460,000 solely to cover the maximum lifetime cost of the interest subsidies associated with subsidized guaranteed loans obligated in FY 1991.

The second change updates the fiscal year reference of 1990 to 1991 in the appropriation language authorizing rental assistance agreements to be for a 5-year period.

The third change deletes outdated language that at one time was required to specifically enable rental assistance contracts obligated in certain fiscal years to be extended beyond five years to fully utilize amounts obligated. The fiscal year 1987 Appropriation Act and subsequent Appropriation Acts have contained sufficient language to enable the Agency to extend all five year rental assistance contracts beyond five years if required, so the language proposed for deletion is no longer needed.



## Rural Housing Insurance Fund

## (a) On Basis of Program Levels

|                                 |                     |
|---------------------------------|---------------------|
| Program Levels, 1990.....       | \$2,237,800,000     |
| Program Levels, 1991.....       | 1,891,150,000       |
| Decrease in Program Levels..... | <u>-346,650,000</u> |

## Adjustment in 1990

|                                                 |                     |
|-------------------------------------------------|---------------------|
| Appropriation Act, 1990.....                    | \$2,237,800,000     |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177).. | <u>-30,753,000</u>  |
| Adjusted base for 1990.....                     | 2,207,047,000       |
| Budget estimate, 1991.....                      | 1,891,150,000       |
| Decrease from adjusted 1990.....                | <u>-315,897,000</u> |

## SUMMARY OF INCREASES AND DECREASES

(On basis of program levels)  
(Dollars in millions)

| Item of Change                                                                    | 1990<br>Authorized | Program<br>Changes | 1991<br>Estimated |
|-----------------------------------------------------------------------------------|--------------------|--------------------|-------------------|
| Low-Income Housing Assistance:                                                    |                    |                    |                   |
| Subsidized Interest Rate Loans:                                                   |                    |                    |                   |
| Repair loans (sec. 504).....                                                      | \$ 11.2            | -\$ .1             | \$ 11.1           |
| General purpose loans (sec. 502).....                                             | 1,246.8            | -669.8             | 577.0             |
| Guaranteed general purpose loans (sec.502):                                       | --                 | +297.0             | 297.0             |
| Domestic farm labor housing<br>loans (sec. 514).....                              | 11.3               | +4.9               | 16.3              |
| Rental or cooperative loans (sec. 515)....                                        | 571.9              | -180.9             | 391.0             |
| Subtotal, Low-Income Housing Loan<br>Assistance.....                              | 1,841.2            | -548.8             | 1,292.4           |
| Non-subsidized Housing Loan Assistance:                                           |                    |                    |                   |
| Guaranteed general purpose loans (sec.502):                                       | --                 | +297.0             | 297.0             |
| Loans for servicing the existing<br>portfolio and special hardship.....           | 14.0               | -2.0               | 12.0              |
| Low-income non-interest credit.....                                               | 50.0               | -30.0              | 20.0              |
| Site loans (sec. 524).....                                                        | 0.6                | -.6                | --                |
| Subtotal, Moderate-Income Housing Loan<br>Assistance.....                         | 64.6               | +264.4             | 329.0             |
| TOTAL LOAN ASSISTANCE.....                                                        | 1,905.7            | -284.4             | 1,621.4           |
| Rural Rental Assistance:                                                          |                    |                    |                   |
| Rental assistance payments (sec. 521).....                                        | 296.3              | -38.3              | 258.0             |
| Rental assistance payments in lieu of<br>debt forgiveness (sec. 502(c)(5)(D)).... | 5.0                | +6.8               | 11.8              |
| TOTAL RURAL RENTAL ASSISTANCE.....                                                | 301.3              | -31.5              | 269.8             |
| TOTAL PROGRAM LEVELS.....                                                         | 2,207.0            | -315.9             | 1,891.2           |

## RURAL HOUSING INSURANCE FUND

PROJECT STATEMENT  
(On the basis of program levels)  
(Dollars in millions)

| Project                                                                   | 1989 Actual     |         | 1990 Estimated  |         | Increase<br>or<br>Decrease | 1991 Estimated  |         |
|---------------------------------------------------------------------------|-----------------|---------|-----------------|---------|----------------------------|-----------------|---------|
|                                                                           | No. of<br>Units | Amount  | No. of<br>Units | Amount  |                            | No. of<br>Units | Amount  |
| Low-Income Housing Assistance:                                            |                 |         |                 |         |                            |                 |         |
| Subsidized Interest Rate Loans:                                           |                 |         |                 |         |                            |                 |         |
| Repair loans (sec. 504).....                                              | 3,041           | \$ 11.3 | 2,860           | \$ 11.2 | -\$ .1(1)                  | 2,750           | \$ 11.1 |
| General purpose loans (sec. 502).....                                     | 24,788          | 1,245.7 | 23,830          | 1,246.8 | -669.8(2)                  | 10,100          | 577.0   |
| Guaranteed general purpose loans (sec. 502).....                          | --              | --      | --              | --      | +297.0(3)                  | 6,460           | 297.0   |
| Domestic farm labor housing loans (sec. 514).....                         | 404             | 11.4    | 445             | 11.3    | +4.9(4)                    | 465             | 16.3    |
| Rental or cooperative loans (sec. 515).....                               | 15,996          | 554.9   | 15,860          | 571.9   | -180.9(5)                  | 10,950          | 391.0   |
| Non-Subsidized Interest Rate Loans:                                       |                 |         |                 |         |                            |                 |         |
| Guaranteed general purpose loans (sec. 502).....                          | --              | --      | --              | --      | +297.0(3)                  | 6,670           | 297.0   |
| Loans for servicing existing portfolio (sec. 502).....                    | --              | 8.1     | --              | 14.0    | -2.0(2)                    | --              | 12.0    |
| Low-income non-interest credit (sec. 502).....                            | 476             | 13.0    | 1,750           | 50.0    | -30.0(2)                   | 670             | 20.0    |
| Site loans (sec. 524) a/.....                                             | --              | .4      | --              | 0.3     | -0.6(6)                    | --              | --      |
| TOTAL LOAN ASSISTANCE.....                                                | 44,705          | 1,844.9 | 44,745          | 1,905.7 | -284.4                     | 38,065          | 1,621.4 |
| Rural Rental Assistance:                                                  |                 |         |                 |         |                            |                 |         |
| Rural rental assistance payments (sec. 521).....                          | 14,875          | 275.3   | 15,211          | 296.3   | -38.3(7)                   | 13,947          | 258.0   |
| Rental assistance in lieu of debt forgiveness<br>(sec. 502(c)(5)(n))..... | 8               | .1      | 452             | 5.0     | +6.8(8)                    | 1,035           | 11.8    |
| TOTAL RURAL RENTAL ASSISTANCE.....                                        | 14,883          | 275.4   | 15,663          | 301.3   | -31.5                      | 14,982          | 269.8   |
| TOTAL PROGRAM LEVELS.....                                                 | 59,588          | 2,120.3 | 60,408          | 2,207.0 | -315.9                     | 53,047          | 1,891.2 |
| Gramm-Rudman-Hollings Reduction.....                                      | --              | --      | 843             | 30.8    |                            |                 |         |
| TOTAL PROGRAM LEVELS.....                                                 | 59,588          | 2,120.3 | 61,251          | 2,237.8 |                            |                 |         |

Staff years are reflected in the Salaries and Expense Project Statement.

a/ Site loans do not produce units of housing.

### EXPLANATION OF PROGRAM

The Rural Housing Insurance Fund (RHIF) was established under the authority contained in section 1003(a) of the Housing and Urban Development Act of 1965 (Public Law 89-117), approved August 10, 1965. Public Law 89-117 authorized an appropriation of such sums as may be necessary for the purposes of the fund. An Appropriation of \$100,000,000 was provided by the Supplemental Appropriation Act, 1966, (Public Law 89-309), to capitalize the fund for future operations.

Public Law 89-117 transferred authorities for making insured farm labor housing loans and insured rural rental or cooperative housing loans from the Agricultural Credit Insurance Fund to the Rural Housing Insurance Fund. Public Law 90-448, approved August 1, 1968, authorized interest credits to the accounts of certain qualified borrowers. Public Law 91-152, approved December 24, 1969, transferred the assets, liabilities, and authorizations of the Rural housing direct loan account to the Rural Housing Insurance Fund. Public Law 91-609, approved December 31, 1970, made a number of changes in the loan and grant programs for farm labor housing.

The Housing and Community Development Act of 1974, Public Law 93-383, approved August 22, 1974, provides that loans may be made in areas with a population in excess of 10,000 but less than 20,000 if such an area is not included within a standard metropolitan statistical area and has a serious lack of mortgage credit as determined by the Secretary of Agriculture and the Secretary of Housing and Urban Development. This authority was amended by Public Law 94-375, approved August 3, 1976, to specify that there must be a serious lack of mortgage credit for low and moderate income families. The Housing and Community Development Act of 1974 also established a rural rental assistance program to be administered by Farmers Home Administration through the Rural Housing Insurance Fund. The Housing and Community Development Act of 1977, Public Law 95-128, approved October 12, 1977, provided for numerous changes in FmHA's rural housing authorities. The most significant were: changes made to the guaranteed housing program authorities to make the program more attractive to local lenders; provision for payments from the RHIF to borrowers for compensation for correction of construction defects, claims resulting from such defects, or the acquisition of title to the property, where a newly constructed unit purchased with financial assistance from FmHA is found by the Secretary to have structural defects; and provision for FmHA-held acquired property to be subject to taxation by State and local political subdivisions in the same manner and to the same extent as other property is taxed.

The Supplemental Appropriations Act for the fiscal year ending September 30, 1984, and for other purposes, (also known as the "Housing and Urban-Rural Recovery Act of 1983") Public Law 98-181, approved November 30, 1983, provided for numerous changes in FmHA's rural housing programs. The most significant were to: target and give priority to very low-income persons in making housing assistance available in rural areas; adopt HUD income limits, eligibility criteria and definitions of adjusted income; make single or multi-family loans for manufactured housing units and authorize up to \$10 million for innovative demonstrations of housing and building systems that differ from FmHA minimum property standards; permit rental housing projects on scattered sites; limit rent increases; require certain priorities regarding occupancy for rental assistance payments; and emphasize housing of modest size, design and cost. Also, Section 533 was added to provide Housing Preservation Grants for rehabilitation purposes.

The Housing and Community Development Technical Amendments Act of 1984, Public Law 98-479, approved October 17, 1984 made additional technical changes to the Housing programs as a result of the previously passed Housing and Urban-Rural Recovery Act of 1983. The most significant changes were: to remove references to the Secretary of Housing and Urban Development in establishing low and very low family income levels; to require a nationwide minimum of 40 percent of Section 502 funding to be set aside for very low-income families and to establish a minimum of 30 percent of those funds to be allocated to each state for very low-income families; to restrict the interchange funding authority of the Secretary; and to establish new priorities for the rental assistance program including extension of expiring contracts.

The Housing and Community Development Act of 1987 provides further enhancements to FmHA's existing housing programs. A high priority in the law is the requirement for FmHA to provide a series of incentives and options in dealing with prepayment of pre-1979 rural rental housing loans to stem the potential loss of rental units from government subsidy and to maintain their availability for low-income families. In addition, this Act gives FmHA the authority to use area or statewide median income rather than a lower county median income if program eligibility would be widened by such application in qualifying applicants or tenants for housing assistance, permits the Agency to continue assistance to borrowers with above moderate income when necessary to the well-being of the family, provides FmHA additional servicing options by mandating the Agency to escrow taxes and insurance, permits the cost of applying for housing assistance to be part of the loan, changes the equity contribution for Section 515 rural rental housing from 5% to 3%, and prohibits the charging of processing and transfer fees in the Section 515 program.

Rural housing building and repair loans (Section 502 of the Housing Act of 1949, as amended) - Loans are made to enable eligible low income applicants to purchase, construct, improve, alter, repair or replace dwellings in rural areas, if their need for necessary housing cannot be met with financial assistance from other sources. Not less than 40 percent of the funding authorized nationally shall be set aside and not less than 30 percent in each state will be available for very low-income families. These loans bear a note rate based on the cost-of-money to the Treasury with provisions for interest credit which may reduce the interest rate to as low as 1 percent under certain circumstances. Such loans may not exceed amounts necessary to provide adequate housing, modest in size, design, and cost.

Building loans are made to farm owners, owners of other real estate in rural areas, others who are or will become rural residents, and long-term leaseholders. These loans are generally repayable in not more than 33 years; however, persons whose incomes do not exceed 60 percent of the median income for the area, could receive loans with maturities of up to 38 years.

Rural housing very low-income repair loans (Section 504 of the Housing Act of 1949, as amended) - Loans are authorized to be made to very low-income individuals and families to repair or rehabilitate their dwellings. The loans are made at 1 percent for a term of not more than 20 years and presently have a maximum loan amount of \$15,000.

Rural rental and cooperative building loans (Section 515 of the Housing Act of 1949, as amended) - Loans are authorized to be made to individuals, corporations, Indian tribes, associations, public bodies, trusts, or partnerships to provide moderate cost rental or cooperative housing and related facilities for elderly or handicapped persons or families and other persons of low, very low, and moderate income in rural areas. Priority for rural rental housing loans is for applicants proposing to serve low and very low-income families and persons in most rural areas. These loans are repayable in not more than 50 years and currently bear a note rate based on the cost-of-money to the Treasury with provision for interest credits to benefit tenants by reducing the interest rate to as low as 1 percent under certain circumstances. These loans are made only if the need for necessary housing cannot be met with financial assistance from other sources except in the case of public bodies. The Farmers Home Administration has in the past made its rural rental housing loans in conjunction with the Department of Housing and Urban Development's Section 8 rent subsidy program. Loans made for units that have received Section 8 assistance bear an interest rate that is reduced either 1 percent or 2 percent below the unsubsidized rate, depending upon the circumstances of the individual project.

Rural housing site loans (Section 524 of the Housing Act of 1949, as amended) - Loans are made for the purchase and development of land to be subdivided into building sites for low to moderate income housing borrowers and rural rental and cooperative housing borrowers. Loans are made at a note rate based on the cost-of-money to the Treasury, and are repayable in 2 years.



Farm labor housing loans (Section 514 of the Housing Act of 1949, as amended) - Loans are authorized to be made to a farm owner, to certain public or broad-based private nonprofit organizations, public bodies, or to a nonprofit organization of farmworkers to provide modest living quarters, basic household furnishings, and related facilities, including land necessary for an adequate site, for domestic farm labor. Loans will be made based on a determination of need considering housing needs of domestic farm labor, including migrant farmworkers in the area without regard to other housing needs in the area. These loans are repayable in not more than 33 years and bear interest not in excess of 1 percent, except under certain circumstances. Loans to organizations may be made simultaneously with farm labor housing grants which are discussed elsewhere in these justifications.

Rural rental assistance payments (Section 521 of the Housing Act of 1949, as amended) - Rural rental assistance payments are authorized to be made to owners of FmHA financed rural rental or cooperative housing or domestic farm labor housing facilities in order that low-income tenants will contribute no more than the higher of (1) 30 percent of monthly adjusted income, (2) 10 percent of monthly income, or (3) designated housing payments from a welfare agency. The program is administered in tandem with FmHA section 515 rural rental and cooperative housing programs, or the farm labor loan and grant programs. For FY 1989, Congress authorized and appropriated assistance under section 502(c)(5)(D) for debt forgiveness or payments for eligible households to subsidize tenant rents in projects purchased by eligible nonprofit organizations or public agencies to prevent diversion of low-income rental housing by virtue of section 515 loan prepayment. The agency plans to use the subsidy payment mechanism of the rental assistance program to accomplish this mandate.

#### JUSTIFICATION OF INCREASES AND DECREASES

The President's Budget proposes to support about the same number of housing units in 1991 as in 1990. FmHA is proposing implementation of a guaranteed section 502 loan program, and a rural housing voucher program based on the same payment standards and regulations set by the Department of Housing and Urban Development for its Section 8 voucher program. The 1991 Budget includes a major new initiative, a guaranteed interest subsidy program, under which the Agency proposes to subsidize one-half of the guaranteed section 502 loan program with interest subsidy payments to lenders to the benefit of low-income borrowers. The interest subsidy payments will be based on borrower income and will allow the monthly payments for modest housing to be affordable by eligible low-income borrowers. The nonsubsidized guaranteed loans will be available for applicants of moderate income (up to 100% of median income). This program is discussed in greater detail under section (b). The Budget includes elsewhere the rural housing voucher program at \$189,928,000 for funding an estimated 8,000 units or families for a 5-year term. The changes in RHIF program levels consist of:

- (1) A decrease of \$73,000 for section 504 very low-income housing repair loans (\$11,173,000 available in FY 1990).

Need for Change. The budget proposes only a modest decrease from the fiscal year 1990 enacted level after sequester. In proposing continued funding at essentially the same level as fiscal year 1990, the Administration recognizes the continuing need for repair and rehabilitation assistance for very low-income rural residents living in substandard housing units having health and safety problems threatening the family or community. The Administration believes the modest decrease in program level would have a minimal effect on the Agency's ability to provide assistance under the section 504 loan program. Families eligible to be assisted under this program will also be eligible for assistance under the rural housing voucher program if they are willing to leave their substandard units, and suitable rental housing was available in the area.

Nature of Change. Proposed only a nominal reduction in section 504 lending. The amount requested will provide assistance to an estimated 2,750 units through 3,140 section 504 loans.



- (2) A decrease of \$701,804,000 for direct section 502 low-to-moderate income rural housing loans to individuals (\$1,310,804,000 available in FY 1990).

Need for Change. The budget proposes to reduce direct section 502 low-to-moderate income rural housing loans with compensating increases in a new guaranteed loan program. The Agency expects that its new mix of services will continue to serve its traditional rural borrowers.

Nature of Change. The program level will provide an estimated 20,760 direct section 502 housing loans in fiscal year 1991.

- (3) An increase of \$594,000,000 for guaranteed section 502 program (zero available in 1990).

Need for Change. The Agency will make use of the guaranteed section 502 program (with a subsidy payment mechanism for one half of the program level) in lieu of a portion of the direct section 502 program. This proposal facilitates utilization of private sector credit resources. The shift toward guaranteed lending will utilize private sector loan making and servicing resources and private sector funding, thereby reducing Federal outlays and administrative burdens, while allowing FmHA staff resources to focus on the servicing requirements of its delinquent direct loan caseload.

Nature of Change. The program level will provide an estimated 6,460 subsidized and 6,670 unsubsidized guaranteed loans in fiscal year 1991.

- (4) An increase of \$4,929,000 for section 514 domestic farm labor housing loans (\$11,321,000 available in FY 1990).

Need for Change. The Administration proposes to substantially increase housing assistance through the section 514 domestic farm labor housing loan program. The increase will enable FmHA to expand its loan program to provide suitable housing and related facilities for domestic farm labor through the building of new structures or the rehabilitation of existing structures. The Administration recognizes that there is a great need for adequate and suitable housing for both migrant and year-round farm laborers. The increase in program level demonstrates higher national concern and increased support for the health and welfare of our farm laborers, who are so important to the nation's agricultural processing. The section 514/516 loan and grant programs are the only national programs to support the farm laborer in obtaining adequate housing.

Nature of Change. The program level increase will enable FmHA to expand its loan program to provide assistance to an estimated 465 units through 100 section 514 loans (plus related section 516 grants). The increase will more than offset the reduction in the section 516 domestic farm labor housing grant program.

- (5) A decrease of \$180,870,000 for section 515 rental or cooperative housing loans (\$571,870,000 available in FY 1990).

Need for Change. The Administration recognizes the need to continue financial assistance through the section 515 rental or cooperative housing loan program. A greater preference will be given to projects in more remote rural areas. Funding priority will be given for areas with high levels of unsuitable housing and very low incomes, and areas which have not

previously participated fully in this program. In addition, the budget proposes to provide housing assistance through a rural housing voucher program. Families eligible to be assisted under the section 515 loan program will be eligible for assistance under the rural housing voucher program as well. Vouchers will provide assistance more efficiently and will offer a greater choice of housing and location to program recipients. Vouchers will be used primarily in areas which have an adequate supply of housing. This proposal will maintain a moderate level of funding for rural areas that have a significant lack of available rental housing stock.

Nature of Change. A program level of \$391,000,000 is requested in FY 1991 to be targeted to rural areas experiencing significant shortages of rental housing. The amount requested will provide assistance to an estimated 10,950 units through 600 subsidized section 515 loans.

- (6) A decrease of \$562,000 for section 524 site loans (\$562,000 available in FY 1990).

Need for Change. Historically this program has been utilized sporadically and at minimal levels. Little impact will result from non-funding.

Nature of Change. The budget proposes termination of the program.

- (7) A decrease of \$38,317,000 for rural rental assistance payments (\$296,317,000 available in FY 1990).

Need for Change. The Administration believes that the requested program reduction would have a minimal impact on the Agency's ability to provide rural rental assistance payments for low or very low-income families while still helping to reduce the Federal outlays. Program level requested will satisfy anticipated rental assistance contract renewal requirements, provide an adequate coverage of new construction rental assistance needs, plus reserve a modest number of units for the servicing needs arising from distressed projects or rent-overburdened tenants. Families eligible to be assisted under the rural rental assistance program will be eligible under the rural housing voucher program as well. Vouchers will provide housing assistance more efficiently and will offer a greater choice of housing and location to program recipients.

Nature of Change. Proposed a reduction in rural rental assistance payments in fiscal year 1991. The program level will provide assistance to an estimated 22,197 units.

- (8) An increase of \$6,800,000 for rental assistance in lieu of debt forgiveness (\$5,000,000 available in FY 1990).

Need for Change. The Administration proposes to continue providing rental assistance through the section 502(c)(5)(D) rental assistance program in the form of monthly payments (in lieu of forgiveness of debt) to ensure that low and very low-income families are not adversely impacted by the sale (at market value) of existing projects to participating nonprofit housing organizations. The ultimate demand for this rental assistance is unknown at this time. The program level requested will assure that more than adequate funding (based on demonstrated demand to date) is available for this program which is considered a high priority by the Agency.

Nature of Change. The increase in program level will enable FmHA to expand this rental assistance program to provide assistance to an estimated 1,035 units.

(b) Appropriation for Interest Subsidies for Guaranteed Loans

|                                |                     |
|--------------------------------|---------------------|
| Appropriation Act, 1990.....   | --                  |
| Budget Estimate, 1991.....     | \$362,460,000       |
| Increase in Appropriation..... | <u>+362,460,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)  
(In thousands of dollars)

| Project                               | 1989<br>Actual | 1990<br>Estimated | Increase   | 1991<br>Estimated |
|---------------------------------------|----------------|-------------------|------------|-------------------|
| Appropriation for Interest Subsidies: |                |                   |            |                   |
| General purpose loans..               | --             | --                | +\$362,460 | \$362,460         |
| Total Appropriation.....              | --             | --                | +362,460   | 362,460           |

EXPLANATION OF PROGRAM

It is the policy of the Farmers Home Administration to move its rural credit functions from direct lending to guaranteed lending. Increasing the role of the private sector will enable the Agency to devote more of its resources to working on public policy initiatives such as counseling and graduation and to more effectively manage its outstanding portfolio. The Economic Research Service has indicated rural lenders have adequate reserves for increased lending in 1990 and 1991. Accordingly, more banks will be able to participate in our guaranteed loan program. However, the private sector needs an incentive to participate, and we believe this proposed program would provide that incentive.

Under this proposed program, interest subsidy payments would be made to guaranteed lenders to assist low-income borrowers who would not be able to pay private sector rates without financial assistance. The interest subsidy will range from 3 to 8.5 percent, but will average no more than 5 percent on \$297 million of Section 502 single-family subsidized loans. The amount of interest rate reduction would be tailored to individual borrowers' ability to repay the loan.

The Budget requests a FY 1991 appropriation sufficient to finance the full potential costs of these interest subsidies. To assure adequate financing, the projection necessarily assumes that all loans will be carried their full term and that the interest subsidy level will remain constant throughout the life of the loan. However, subsidy amounts will be reevaluated each year in terms of the borrower's income and other factors. It is therefore possible that subsidies may be reduced or that loans may be repaid ahead of schedule. In these circumstances Federal costs would, in fact, be reduced.

This approach of recognizing maximum potential loss to the fund in future years is in contrast to similar loan subsidy costs of direct loans which are recognized each year they actually occur and are then requested in an appropriation to reimburse the fund two years later. While the budgetary treatment for appropriations is different, the aggregate cost to the Federal government for the same amount of subsidy is expected to be similar for both types of loans. The amount of subsidy will, however, vary with the interest rate on the loan and the rate the borrower can afford to pay. It should also be noted that there are significant outlay savings in the year the loans are guaranteed compared to making a direct loan because the loan principal amounts will be provided by the private sector rather than the Federal government.

JUSTIFICATION OF INCREASE

- (1) An increase of \$362,460,000 for maximum lifetime subsidy costs on subsidized guaranteed loans obligated in 1991 (zero available in 1990).

Need for Change. Guaranteed section 502 loans enable rural borrowers to obtain credit, but may not be of use to many low-income borrowers traditionally served by FmHA since these borrowers have limited incomes to cover monthly housing payments. If guarantees are to be used by low-income families, the Agency must subsidize the interest rate to the point at which monthly payments can be paid from household income.

Nature of Change. The \$362,460,000 appropriation requested will provide the lifetime subsidy cost for \$297 million of the subsidized guaranteed loans obligated in FY 1991. No additional funds will be sought to reimburse the fund for the costs of the subsidy program.



(c) Reimbursement for Interest Subsidies and Losses

|                                |                 |    |
|--------------------------------|-----------------|----|
| Appropriation Act, 1990.....   | \$2,890,365,000 | 1/ |
| Budget Estimate, 1991.....     | 2,920,682,000   | 2/ |
| Decrease in Appropriation..... | +30,317,000     |    |

1/ Includes reimbursement for estimated payments made under the rural rental assistance program in the amount of \$212,468,000.

2/ Includes reimbursements for estimated payments to be made under the rural rental assistance program in amount of \$253,496,000.

PROJECT STATEMENT  
(On basis of appropriation)  
(In thousands of dollars)

| Project                                  | 1989<br>Actual | 1990<br>Actual | Increase<br>or<br>Decrease | 1991<br>Estimated |
|------------------------------------------|----------------|----------------|----------------------------|-------------------|
| Reimbursement for Interest               |                |                |                            |                   |
| Subsidies and Losses:                    |                |                |                            |                   |
| General purpose loans...                 | \$1,899,734    | \$1,761,801    | -\$29,785                  | \$1,732,016       |
| Rental or cooperative<br>loans.....      | 715,406        | 898,507        | +18,750                    | 917,257           |
| Domestic farm labor<br>loans.....        | 16,156         | 16,356         | +1,155                     | 17,511            |
| Site loans.....                          | 47             | 1,233          | -831                       | 402               |
| Sale of loan assets.....                 | 1,028,718      | --             | --                         | --                |
| Subtotal, subsidies and<br>losses.....   | 3,660,061      | 2,677,897      | -10,711(1)                 | 2,667,186         |
| Rural rental assistance<br>payments..... | 177,357        | 212,468        | +41,028(2)                 | 253,496           |
| Total Appropriations.....                | 3,837,418      | 2,890,365      | +30,317                    | 2,920,682         |

EXPLANATION OF PROGRAM

This appropriation is proposed to reimburse the Rural Housing Insurance Fund for funded interest subsidies and losses incurred in fiscal year 1989 and rental assistance payments estimated to be made in fiscal year 1991. Section 521(c)(1) of the Housing Act of 1949, as amended, authorizes annual appropriations to the Rural Housing Insurance Fund of the amounts by which interest payments made from the fund to investors in insured loans exceed the interest due from borrowers. In addition, section 517(e) of the Act authorizes appropriations to restore all other losses to the fund. The amount requested is exclusive of provision for future losses and unfunded costs.

JUSTIFICATION OF INCREASE AND DECREASE

- (1) A decrease of \$10,711,000 for reimbursement of interest subsidies and other losses incurred in 1989 (\$2,677,897,000 in interest subsidies and losses incurred in 1988).

Need for Change. A decrease of \$10,711,000 for reimbursement for interest subsidies and losses is due to several factors. This modest net decrease represents many offsetting increases and decreases in income and expense items for the fund which held the net loss of the fund at essentially the same level as the prior year (minus .4 percent) despite the direct loan portfolio increasing by over 2.8 percent. Principal items that increased the reimbursable loss were: the elimination of the nonrecurring gain on redemption of Certificates of Beneficial Ownership, writeoffs, administrative



expenses, and other expenses. Principal items that decreased the reimbursable loss were: losses on sale of acquired property, Federal Finance Bank and Treasury interest, interest income, and income and return of investment in subordinated securities.

Nature of Change. The amount requested will reimburse the Rural Housing Insurance Fund for interest subsidies and other losses incurred during FY 1989.

- (2) An increase of \$41,028,000 for rural rental assistance payments (\$212,468,000 estimated in 1990).

Need for Change. The amount requested represents the current estimate of FY 1991 disbursements for rental assistance agreements which were obligated in prior years principally, and to a minor extent FY 1991.

Nature of Change. The increase of \$41,028,000 is attributable to additional new incremental units that will receive assistance during FY 1991 from FY 1991 and prior year obligations, the annualization of partial year payments for incremental units added in FY 1990, plus any general inflation to assistance costs for all the units projected to be under rental assistance agreements in FY 1991.

Change in Cash Position of the Fund  
(In thousands of dollars)

|                                                                       | 1989<br>Actual | 1990<br>Estimated | 1991<br>Estimated |
|-----------------------------------------------------------------------|----------------|-------------------|-------------------|
| Cash balance, beginning of year.....                                  | \$ 13,958      | \$ 5,641          | \$ 22,155         |
| Outlays.....                                                          | -3,610,736     | -2,913,851        | -2,490,643        |
| Funds for financing:                                                  |                |                   |                   |
| Appropriation for reimbursement of interest subsidies and losses..... | 3,660,061      | 2,677,897         | 2,667,186         |
| Appropriation for reimbursement of rental assistance payments.....    | 177,357        | 212,468           | 253,496           |
| Appropriation for guaranteed loan subsidies.....                      | --             | --                | 362,460           |
| Treasury borrowings.....                                              | 4,185,000      | 2,870,000         | 3,631,000         |
| Borrowings from FFB.....                                              | 1,000,000      | 1,990,000         | --                |
| Repayment of borrowings from Treasury.....                            | -4,420,000     | -2,830,000        | -2,655,000        |
| Repayment of borrowings from FFB....                                  | -1,000,000     | -1,990,000        | -1,415,000        |
| Net financing.....                                                    | 3,602,418      | 2,930,365         | 2,844,142         |
| Cash balance, end of year.....                                        | 5,641          | 22,155            | 375,654           |

Sale of Subordinated Security Investment

In FY 1990, the Agency proposes to sell its investment in subordinated securities that were acquired as part of the proceeds from the FY 1987 securitized loan asset sale. The subordinated securities will be sold without recourse now that the servicing function has been successfully transferred to the private sector. Net proceeds are projected to be \$390 million.

An analysis by loan program of the accrued operating deficit, exclusive of unfunded losses and rental assistance, is shown in the following table. In accordance with the accounting principles and standards followed by FmHA, this schedule is prepared on an accrual basis.

Rural Housing Insurance Fund

Operating Income and Expense Statement  
(In Thousands of Dollars)

|                                               | Income       |           | Expense      |              | Net        |              |
|-----------------------------------------------|--------------|-----------|--------------|--------------|------------|--------------|
|                                               | Interest     | Other     | Total        | Interest     | Write-offs | Total        |
| 1989 Actual                                   |              |           |              |              |            |              |
| General purpose loans.....                    | \$1,057,970: | \$62,517: | \$1,120,487: | \$2,515,029: | \$70,381:  | \$2,585,503: |
| Domestic farm labor loans.....                | 1,073:       | 96:       | 1,469:       | 18,210:      | 372:       | 18,980:      |
| Rental or cooperative loans.....              | 289,045:     | 2,472:    | 291,217:     | 1,189,069:   | 1,641:     | 1,208,474:   |
| Site loans.....                               | 15:          | 7:        | 22:          | 70:          | 34:        | 424:         |
| TOTAL.....                                    | 1,348,103:   | 65,092:   | 1,413,195:   | 3,722,378:   | 72,428:    | 4,080,381:   |
| 1990 Estimate                                 |              |           |              |              |            |              |
| General purpose loans.....                    | 1,104,145:   | 79,709:   | 1,183,854:   | 2,433,100:   | 172,750:   | 2,605,850:   |
| Domestic farm labor loans.....                | 1,420:       | 120:      | 1,540:       | 19,130:      | 600:       | 20,044:      |
| Rental or cooperative loans.....              | 308,115:     | 3,150:    | 311,265:     | 1,237,970:   | 3,000:     | 1,255,730:   |
| Site loans.....                               | 40:          | 10:       | 50:          | 74:          | 50:        | 374:         |
| Sale of subordinated security investment..... | --:          | 224,833:  | 224,833:     | --:          | --:        | --:          |
| TOTAL.....                                    | 1,413,720:   | 307,822:  | 1,721,542:   | 3,690,274:   | 176,400:   | 4,089,898:   |
| 1991 Estimate                                 |              |           |              |              |            |              |
| General purpose loans.....                    | 1,170,890:   | 4,899:    | 1,175,789:   | 2,267,520:   | 143,510:   | 2,411,030:   |
| Domestic farm labor loans.....                | 1,540:       | 110:      | 1,650:       | 20,240:      | 360:       | 20,950:      |
| Rental or cooperative loans.....              | 332,900:     | 2,600:    | 335,500:     | 1,235,523:   | 2,500:     | 1,254,023:   |
| Site loans.....                               | 60:          | 10:       | 70:          | 70:          | --:        | 340:         |
| TOTAL.....                                    | 1,505,390:   | 7,619:    | 1,513,009:   | 3,523,353:   | 146,370:   | 3,910,617:   |

1/ Does not include rural rental assistance payments.

The following schedules present an analysis of outlays by loan program for fiscal years 1989, 1990 and 1991.

RURAL HOUSING INSURANCE FUND

Analysis of Outlays by Loan Program  
Fiscal Year 1989  
(In thousands of dollars)

|                                                                          | General Purpose Loans | Domestic Farm Labor Loans | Rental or Cooperative Loans | Site Loans  | Total            |
|--------------------------------------------------------------------------|-----------------------|---------------------------|-----------------------------|-------------|------------------|
| <b>Funds for program operations:</b>                                     |                       |                           |                             |             |                  |
| <b>Funds expended:</b>                                                   |                       |                           |                             |             |                  |
| Loans made by the fund.....                                              | \$1,287,669:          | \$10,007:                 | \$ 659,332:                 | \$428:      | \$1,957,436      |
| Purchase of loans and certificates of beneficial ownership (public)..... | 123,533:              | 892:                      | 57,576:                     | 3:          | 182,004          |
| Rental assistance payments.....                                          | --:                   | 3,126:                    | 174,231:                    | --:         | 177,357          |
| Collections disbursed to investors.....                                  | 5,795:                | --:                       | --:                         | --:         | 5,795            |
| Interest expense.....                                                    | 2,533,156:            | 18,372:                   | 1,199,354:                  | 71:         | 3,750,953        |
| Interest credits on loans.....                                           | 55:                   | --:                       | --:                         | --:         | 55               |
| Interest credits - loan asset sale.....                                  | 3,890:                | --:                       | --:                         | --:         | 3,890            |
| Administrative expense.....                                              | 23,440:               | 170:                      | 11,102:                     | --:         | 34,712           |
| Loss settlement, guaranteed loans.....                                   | 360:                  | --:                       | --:                         | --:         | 360              |
| Other.....                                                               | 138,026:              | 116:                      | 3,151:                      | 6:          | 141,299          |
| <b>Total funds expended.....</b>                                         | <b>4,115,924:</b>     | <b>32,683:</b>            | <b>2,104,746:</b>           | <b>508:</b> | <b>6,253,861</b> |
| <b>Funds received:</b>                                                   |                       |                           |                             |             |                  |
| Repayments on loans.....                                                 | 1,072,180:            | 5,313:                    | 100,033:                    | --:         | 1,177,526        |
| Payments of interest on loans.....                                       | 962,190:              | 1,057:                    | 282,022:                    | 4:          | 1,245,273        |
| Collections received for investors.....                                  | 5,325:                | --:                       | --:                         | --:         | 5,325            |
| Insurance premiums and guarantee fees.....                               | 23:                   | --:                       | --:                         | --:         | 23               |
| Late fees.....                                                           | --:                   | --:                       | 48:                         | --:         | 48               |
| Interest income on investments - asset sale.....                         | 25,504:               | --:                       | --:                         | --:         | 25,504           |
| Return of investment - asset sale.....                                   | 9,493:                | --:                       | --:                         | --:         | 9,493            |
| Servicing fee income - asset sale.....                                   | 18,169:               | --:                       | --:                         | --:         | 18,169           |
| Protective advance fund income and recoveries.....                       | 1,135:                | --:                       | --:                         | --:         | 1,135            |
| Other.....                                                               | 127,931:              | 628:                      | 32,006:                     | 64:         | 160,629          |
| <b>Total funds received.....</b>                                         | <b>2,221,950:</b>     | <b>6,998:</b>             | <b>414,109:</b>             | <b>68:</b>  | <b>2,643,125</b> |
| <b>OUTLAYS.....</b>                                                      | <b>1,893,974:</b>     | <b>25,685:</b>            | <b>1,690,637:</b>           | <b>440:</b> | <b>3,610,736</b> |

## RURAL HOUSING INSURANCE FUND

Analysis of Outlays by Loan Program  
Fiscal Year 1990  
(In thousands of dollars)

|                                                                                | General Purpose Loans | Domestic Farm Labor Loans | Rental or Cooperative Loans | Site Loans  | Total            |
|--------------------------------------------------------------------------------|-----------------------|---------------------------|-----------------------------|-------------|------------------|
| <b>Funds for program operations:</b>                                           |                       |                           |                             |             |                  |
| Funds expended:                                                                |                       |                           |                             |             |                  |
| Loans made by the fund.....                                                    | \$1,302,000:          | \$16,359:                 | \$ 543,449:                 | \$192:      | \$1,862,000      |
| Purchase of loans and certificates of<br>of beneficial ownership (public)..... | 1,063:                | --:                       | 491:                        | --:         | 1,554            |
| Rental assistance payments.....                                                | --:                   | 4,068:                    | 208,400:                    | --:         | 212,468          |
| Collections disbursed to investors.....                                        | 3,000:                | --:                       | --:                         | --:         | 3,000            |
| Interest expense.....                                                          | 2,433,990:            | 19,300:                   | 1,238,802:                  | 73:         | 3,692,165        |
| Interest credits on loans.....                                                 | 33:                   | --:                       | --:                         | --:         | 33               |
| Interest credits - loan asset sale.....                                        | 5,709:                | --:                       | --:                         | --:         | 5,709            |
| Administrative expense.....                                                    | 35,000:               | 250:                      | 16,750:                     | --:         | 52,000           |
| Loss settlement, guaranteed loans.....                                         | 300:                  | --:                       | --:                         | --:         | 300              |
| Other.....                                                                     | 132,076:              | 110:                      | 3,015:                      | 10:         | 135,211          |
| <b>Total funds expended.....</b>                                               | <b>3,913,171:</b>     | <b>40,087:</b>            | <b>2,010,907:</b>           | <b>275:</b> | <b>5,964,440</b> |
| <b>Funds received:</b>                                                         |                       |                           |                             |             |                  |
| Repayments on loans.....                                                       | 1,126,000:            | 5,800:                    | 109,100:                    | 100:        | 1,241,000        |
| Payments of interest on loans.....                                             | 1,016,000:            | 1,360:                    | 300,600:                    | 40:         | 1,318,000        |
| Sale of subordinated securities.....                                           | 390,000:              | --:                       | --:                         | --:         | 390,000          |
| Collections received for investors.....                                        | 2,000:                | --:                       | --:                         | --:         | 2,000            |
| Late fees.....                                                                 | --:                   | --:                       | 500:                        | --:         | 500              |
| Interest income on investments - asset sale.....                               | 12,200:               | --:                       | --:                         | --:         | 12,200           |
| Return on investment - asset sale.....                                         | 4,000:                | --:                       | --:                         | --:         | 4,000            |
| Servicing fee income/residual income -<br>asset sale.....                      | 63,764:               | --:                       | --:                         | --:         | 63,764           |
| Protective advance fund income and<br>recoveries.....                          | 1,100:                | --:                       | --:                         | --:         | 1,100            |
| Other.....                                                                     | 14,000:               | 250:                      | 3,775:                      | --:         | 18,025           |
| <b>Total funds received.....</b>                                               | <b>2,629,064:</b>     | <b>7,410:</b>             | <b>413,975:</b>             | <b>140:</b> | <b>3,050,589</b> |
| <b>OUTLAYS.....</b>                                                            | <b>1,284,107:</b>     | <b>32,677:</b>            | <b>1,596,932:</b>           | <b>135:</b> | <b>2,913,851</b> |

## RURAL HOUSING INSURANCE FUND

Analysis of Outlays by Loan Program  
 Fiscal Year 1991  
 (In thousands of dollars)

|                                                                                | General<br>Purpose<br>Loans | Domestic<br>Farm Labor<br>Loans | Rental or<br>Cooperative<br>Loans | Site<br>Loans | Total            |
|--------------------------------------------------------------------------------|-----------------------------|---------------------------------|-----------------------------------|---------------|------------------|
| <b>Funds for program operations:</b>                                           |                             |                                 |                                   |               |                  |
| <b>Funds expended:</b>                                                         |                             |                                 |                                   |               |                  |
| Loans made by the fund.....                                                    | \$ 733,171:                 | \$14,564:                       | \$ 532,000:                       | \$265:        | \$1,280,000      |
| Purchase of loans and certificates of<br>of beneficial ownership (public)..... | 1,200:                      | --:                             | 591:                              | --:           | 1,791            |
| Rental assistance payments.....                                                | --:                         | 4,896:                          | 248,600:                          | --:           | 253,496          |
| Collections disbursed to investors.....                                        | 1,900:                      | --:                             | --:                               | --:           | 1,900            |
| Interest expense.....                                                          | 2,355,000:                  | 20,418:                         | 1,282,865:                        | 80:           | 3,658,363        |
| Interest credits on loans.....                                                 | 29:                         | --:                             | --:                               | --:           | 29               |
| Interest credits - loan asset sale.....                                        | 5,571:                      | --:                             | --:                               | --:           | 5,571            |
| Interest subsidy - guaranteed loans.....                                       | 4,228:                      | --:                             | --:                               | --:           | 4,228            |
| Administrative expense.....                                                    | 31,400:                     | 222:                            | 15,078:                           | --:           | 46,700           |
| Loss settlement, guaranteed loans.....                                         | 270:                        | --:                             | --:                               | --:           | 270              |
| Other.....                                                                     | 133,300:                    | 120:                            | 3,060:                            | 10:           | 136,490          |
| <b>Total funds expended.....</b>                                               | <b>3,266,069:</b>           | <b>40,220:</b>                  | <b>2,082,194:</b>                 | <b>355:</b>   | <b>5,388,838</b> |
| <b>Funds received:</b>                                                         |                             |                                 |                                   |               |                  |
| Repayments on loans.....                                                       | 1,244,000:                  | 6,800:                          | 123,200:                          | 200:          | 1,374,200        |
| Payments of interest on loans.....                                             | 1,125,100:                  | 1,500:                          | 324,740:                          | 60:           | 1,451,400        |
| Collections received for investors.....                                        | 1,800:                      | --:                             | --:                               | --:           | 1,800            |
| Late fees.....                                                                 | --:                         | --:                             | 500:                              | --:           | 500              |
| Protective advance fund income and<br>recoveries.....                          | 1,180:                      | --:                             | --:                               | --:           | 1,180            |
| Other.....                                                                     | 54,300:                     | 520:                            | 14,295:                           | --:           | 69,115           |
| <b>Total funds received.....</b>                                               | <b>2,426,380:</b>           | <b>8,820:</b>                   | <b>462,735:</b>                   | <b>260:</b>   | <b>2,898,195</b> |
| <b>OUTLAYS.....</b>                                                            | <b>839,689:</b>             | <b>31,400:</b>                  | <b>1,619,459:</b>                 | <b>95:</b>    | <b>2,490,643</b> |



Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Insurance Fund

Very-Low Income Housing Repair Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 592,960        | 536,972        | 531,602        |
| Alaska.....                          | --             | 70,000         | 69,300         |
| Arizona.....                         | 54,890         | 70,000         | 69,300         |
| Arkansas.....                        | 169,080        | 152,172        | 150,650        |
| California.....                      | 134,590        | 121,131        | 119,920        |
| Colorado.....                        | 24,930         | 70,000         | 69,300         |
| Connecticut.....                     | --             | 70,000         | 69,300         |
| Delaware.....                        | 62,090         | 70,000         | 69,300         |
| Florida.....                         | 98,150         | 88,335         | 87,452         |
| Georgia.....                         | 161,030        | 144,927        | 143,478        |
| Hawaii.....                          | 2,490          | 70,000         | 69,300         |
| Idaho.....                           | 17,930         | 70,000         | 69,300         |
| Illinois.....                        | 219,380        | 197,442        | 195,468        |
| Indiana.....                         | 36,980         | 70,000         | 69,300         |
| Iowa.....                            | 314,230        | 282,807        | 279,979        |
| Kansas.....                          | 66,850         | 70,000         | 69,300         |
| Kentucky.....                        | 588,740        | 529,866        | 524,567        |
| Louisiana.....                       | 234,210        | 210,789        | 208,681        |
| Maine.....                           | 306,470        | 275,823        | 273,065        |
| Maryland.....                        | 66,980         | 70,000         | 69,300         |
| Massachusetts.....                   | 64,540         | 70,000         | 69,300         |
| Michigan.....                        | 150,780        | 135,702        | 134,345        |
| Minnesota.....                       | 122,200        | 109,980        | 108,880        |
| Mississippi.....                     | 715,420        | 647,186        | 640,714        |
| Missouri.....                        | 331,370        | 298,233        | 295,251        |
| Montana.....                         | 37,500         | 70,000         | 69,300         |
| Nebraska.....                        | 19,770         | 70,000         | 69,300         |
| Nevada.....                          | 22,200         | 70,000         | 69,300         |
| New Hampshire.....                   | 42,280         | 70,000         | 69,300         |
| New Jersey.....                      | 50,580         | 70,000         | 69,300         |
| New Mexico.....                      | 74,330         | 70,000         | 69,300         |
| New York.....                        | 311,930        | 280,737        | 277,930        |
| North Carolina.....                  | 619,160        | 557,244        | 563,819        |
| North Dakota.....                    | 3,000          | 70,000         | 69,300         |
| Ohio.....                            | 169,200        | 152,280        | 150,757        |
| Oklahoma.....                        | 80,300         | 72,270         | 71,547         |
| Oregon.....                          | 75,950         | 70,000         | 69,300         |
| Pennsylvania.....                    | 1,008,700      | 907,830        | 910,899        |
| Rhode Island.....                    | 7,350          | 70,000         | 69,300         |
| South Carolina.....                  | 330,940        | 297,846        | 294,868        |
| South Dakota.....                    | 75,480         | 70,000         | 69,300         |
| Tennessee.....                       | 310,990        | 279,891        | 277,092        |
| Texas.....                           | 1,053,840      | 951,764        | 954,393        |
| Utah.....                            | 19,220         | 70,000         | 69,300         |
| Vermont.....                         | 64,360         | 70,000         | 69,300         |
| Virginia.....                        | 136,920        | 123,228        | 112,137        |
| Washington.....                      | 49,220         | 70,000         | 69,300         |
| West Virginia.....                   | 221,460        | 199,314        | 197,321        |
| Wisconsin.....                       | 189,320        | 170,388        | 168,684        |
| Wyoming.....                         | --             | 70,000         | 69,300         |
| Puerto Rico.....                     | 172,240        | 155,016        | 153,466        |
| Trust Territories..                  | 1,624,618      | 1,473,827      | 1,471,236      |
| Virgin Islands.....                  | --             | 70,000         | 69,300         |
| Total, Available or<br>Estimate..... | 11,307,148     | 11,173,000     | 11,100,000     |

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Insurance Fund

Low Income Loan Program-Direct Loans

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 24,960,830     | 25,460,047     | 12,730,023     |
| Alaska.....                          | 2,711,460      | 2,765,689      | 1,382,845      |
| Arizona.....                         | 16,782,910     | 17,118,568     | 8,559,284      |
| Arkansas.....                        | 28,857,140     | 29,434,283     | 14,717,141     |
| California.....                      | 60,920,132     | 65,239,105     | 32,619,553     |
| Colorado.....                        | 9,356,580      | 9,543,712      | 4,771,856      |
| Connecticut.....                     | 19,308,990     | 19,695,170     | 9,847,585      |
| Delaware.....                        | 3,230,450      | 3,295,059      | 1,647,530      |
| Florida.....                         | 38,240,990     | 39,005,810     | 19,502,905     |
| Georgia.....                         | 42,437,540     | 46,386,861     | 23,193,431     |
| Hawaii.....                          | 9,462,800      | 9,652,056      | 4,826,028      |
| Idaho.....                           | 5,690,560      | 5,804,371      | 2,902,186      |
| Illinois.....                        | 28,124,520     | 28,687,010     | 14,343,505     |
| Indiana.....                         | 24,052,150     | 24,533,193     | 12,266,597     |
| Iowa.....                            | 26,156,520     | 26,679,650     | 13,339,825     |
| Kansas.....                          | 7,432,320      | 7,580,966      | 3,790,483      |
| Kentucky.....                        | 41,335,840     | 42,162,557     | 21,081,278     |
| Louisiana.....                       | 21,529,050     | 21,959,631     | 9,881,834      |
| Maine.....                           | 33,288,210     | 33,953,974     | 15,279,288     |
| Maryland.....                        | 20,520,630     | 20,931,043     | 9,418,969      |
| Massachusetts.....                   | 33,881,530     | 34,559,161     | 15,551,622     |
| Michigan.....                        | 38,015,230     | 38,775,535     | 17,448,991     |
| Minnesota.....                       | 19,597,150     | 19,989,093     | 8,995,092      |
| Mississippi.....                     | 46,530,720     | 50,561,904     | 22,752,857     |
| Missouri.....                        | 30,285,220     | 30,890,924     | 13,900,916     |
| Montana.....                         | 3,907,150      | 3,985,293      | 1,793,382      |
| Nebraska.....                        | 7,887,680      | 8,045,434      | 3,620,445      |
| Nevada.....                          | 5,206,660      | 5,310,793      | 2,389,857      |
| New Hampshire.....                   | 20,776,380     | 21,191,908     | 9,536,358      |
| New Jersey.....                      | 25,830,390     | 26,346,998     | 11,856,149     |
| New Mexico.....                      | 11,110,000     | 11,332,200     | 5,099,490      |
| New York.....                        | 34,985,770     | 35,685,485     | 16,058,468     |
| North Carolina.....                  | 51,446,340     | 55,575,837     | 25,009,127     |
| North Dakota.....                    | 3,207,860      | 3,272,017      | 1,472,408      |
| Ohio.....                            | 48,710,760     | 49,684,975     | 22,358,239     |
| Oklahoma.....                        | 15,165,610     | 15,468,922     | 6,961,015      |
| Oregon.....                          | 19,214,040     | 19,598,321     | 8,819,244      |
| Pennsylvania.....                    | 63,171,100     | 67,535,092     | 30,390,791     |
| Rhode Island.....                    | 7,397,470      | 7,545,419      | 3,395,439      |
| South Carolina.....                  | 42,420,650     | 43,269,063     | 19,471,078     |
| South Dakota.....                    | 6,624,440      | 6,756,929      | 3,040,618      |
| Tennessee.....                       | 45,428,430     | 46,336,999     | 20,851,649     |
| Texas.....                           | 30,719,260     | 31,333,645     | 14,100,140     |
| Utah.....                            | 9,084,930      | 9,266,629      | 4,169,983      |
| Vermont.....                         | 14,982,770     | 15,282,425     | 6,877,091      |
| Virginia.....                        | 42,374,440     | 43,221,929     | 19,449,868     |
| Washington.....                      | 18,840,680     | 19,217,494     | 8,647,872      |
| West Virginia.....                   | 20,518,110     | 20,928,472     | 9,417,812      |
| Wisconsin.....                       | 27,820,050     | 28,376,451     | 12,769,403     |
| Wyoming.....                         | 5,009,230      | 5,109,415      | 2,299,237      |
| Puerto Rico.....                     | 43,045,060     | 47,006,533     | 20,138,934     |
| Trust Territories..                  | 6,926,080      | 7,064,602      | 3,179,071      |
| Virgin Islands.....                  | 2,342,500      | 2,389,350      | 1,075,208      |
| Total, Available or<br>Estimate..... | 1,266,863,312  | 1,310,804,000  | 609,000,000    |

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Insurance Fund

Low Income Loan Program-Guaranteed Loans

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | --             | --             | 11,533,401     |
| Alaska.....                          | --             | --             | 1,252,857      |
| Arizona.....                         | --             | --             | 7,754,711      |
| Arkansas.....                        | --             | --             | 13,333,730     |
| California.....                      | --             | --             | 29,553,315     |
| Colorado.....                        | --             | --             | 4,323,301      |
| Connecticut.....                     | --             | --             | 8,921,912      |
| Delaware.....                        | --             | --             | 1,492,662      |
| Florida.....                         | --             | --             | 17,669,632     |
| Georgia.....                         | --             | --             | 21,013,248     |
| Hawaii.....                          | --             | --             | 4,372,381      |
| Idaho.....                           | --             | --             | 2,629,380      |
| Illinois.....                        | --             | --             | 12,993,216     |
| Indiana.....                         | --             | --             | 11,113,536     |
| Iowa.....                            | --             | --             | 12,085,882     |
| Kansas.....                          | --             | --             | 3,434,178      |
| Kentucky.....                        | --             | --             | 19,099,638     |
| Louisiana.....                       | --             | --             | 9,947,713      |
| Maine.....                           | --             | --             | 15,381,150     |
| Maryland.....                        | --             | --             | 9,481,762      |
| Massachusetts.....                   | --             | --             | 15,655,300     |
| Michigan.....                        | --             | --             | 17,565,317     |
| Minnesota.....                       | --             | --             | 9,055,059      |
| Mississippi.....                     | --             | --             | 22,904,543     |
| Missouri.....                        | --             | --             | 13,993,589     |
| Montana.....                         | --             | --             | 1,805,338      |
| Nebraska.....                        | --             | --             | 3,644,581      |
| Nevada.....                          | --             | --             | 2,405,789      |
| New Hampshire.....                   | --             | --             | 9,599,934      |
| New Jersey.....                      | --             | --             | 11,935,190     |
| New Mexico.....                      | --             | --             | 5,133,487      |
| New York.....                        | --             | --             | 16,165,525     |
| North Carolina.....                  | --             | --             | 25,175,854     |
| North Dakota.....                    | --             | --             | 1,482,224      |
| Ohio.....                            | --             | --             | 22,507,294     |
| Oklahoma.....                        | --             | --             | 7,007,422      |
| Oregon.....                          | --             | --             | 8,878,039      |
| Pennsylvania.....                    | --             | --             | 30,593,397     |
| Rhode Island.....                    | --             | --             | 3,418,075      |
| South Carolina.....                  | --             | --             | 19,600,886     |
| South Dakota.....                    | --             | --             | 3,060,889      |
| Tennessee.....                       | --             | --             | 20,990,660     |
| Texas.....                           | --             | --             | 14,194,141     |
| Utah.....                            | --             | --             | 4,197,783      |
| Vermont.....                         | --             | --             | 6,922,939      |
| Virginia.....                        | --             | --             | 19,579,534     |
| Washington.....                      | --             | --             | 8,705,525      |
| West Virginia.....                   | --             | --             | 9,480,598      |
| Wisconsin.....                       | --             | --             | 12,854,532     |
| Wyoming.....                         | --             | --             | 2,314,565      |
| Puerto Rico.....                     | --             | --             | 21,499,747     |
| Trust Territories..                  | --             | --             | 3,200,265      |
| Virgin Islands.....                  | --             | --             | 1,082,374      |
| <hr/>                                |                |                |                |
| Total, Available or<br>Estimate..... | --             | --             | 594,000,000    |
| <hr/>                                |                |                |                |

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Insurance Fund

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Rural Housing Site Loan Program

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|                                         | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|-----------------------------------------|----------------|----------------|----------------|
|                                         | <hr/>          | <hr/>          | <hr/>          |
| California.....                         | 428,000        | --             | --             |
| Total, Available or 1/<br>Estimate..... | <hr/> 428,000  | <hr/> 562,000  | <hr/> --       |
|                                         | <hr/>          | <hr/>          | <hr/>          |

1/ Distribution cannot be determined in advance.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Insurance Fund

Rural Rental Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 20,660,110     | 21,073,312     | 15,095,926     |
| Alaska.....                          | 1,499,500      | 1,529,490      | 1,024,758      |
| Arizona.....                         | 5,052,120      | 5,153,162      | 3,452,619      |
| Arkansas.....                        | 12,778,090     | 13,033,652     | 8,732,547      |
| California.....                      | 33,515,360     | 33,916,910     | 23,977,982     |
| Colorado.....                        | 4,107,020      | 4,189,160      | 2,806,737      |
| Connecticut.....                     | 2,907,390      | 2,965,538      | 1,986,910      |
| Delaware.....                        | 1,455,000      | 1,484,100      | 994,347        |
| Florida.....                         | 20,438,200     | 20,846,964     | 13,967,466     |
| Georgia.....                         | 23,021,550     | 23,213,224     | 16,806,512     |
| Hawaii.....                          | 7,203,990      | 7,348,070      | 4,923,207      |
| Idaho.....                           | 3,721,930      | 3,796,369      | 2,543,567      |
| Illinois.....                        | 12,600,180     | 12,852,184     | 8,610,963      |
| Indiana.....                         | 11,890,550     | 12,128,361     | 8,126,002      |
| Iowa.....                            | 8,416,000      | 8,584,320      | 5,751,494      |
| Kansas.....                          | 5,445,660      | 5,554,573      | 3,721,564      |
| Kentucky.....                        | 14,222,030     | 14,506,471     | 9,719,335      |
| Louisiana.....                       | 13,275,670     | 13,541,183     | 9,072,593      |
| Maine.....                           | 11,417,800     | 11,646,156     | 7,802,925      |
| Maryland.....                        | 6,670,190      | 6,803,594      | 4,558,408      |
| Massachusetts.....                   | 8,930,870      | 9,109,487      | 6,103,357      |
| Michigan.....                        | 21,108,320     | 21,261,729     | 15,499,010     |
| Minnesota.....                       | 15,870,360     | 16,187,767     | 10,845,804     |
| Mississippi.....                     | 16,974,920     | 17,314,418     | 11,600,660     |
| Missouri.....                        | 15,414,690     | 15,722,984     | 10,534,399     |
| Montana.....                         | 3,869,030      | 3,946,411      | 2,644,095      |
| Nebraska.....                        | 6,054,910      | 6,176,008      | 4,137,925      |
| Nevada.....                          | 2,866,510      | 5,055,100      | 3,386,917      |
| New Hampshire.....                   | 4,955,980      | 5,055,100      | 3,386,917      |
| New Jersey.....                      | 2,785,000      | 2,840,700      | 1,903,269      |
| New Mexico.....                      | 5,369,100      | 5,476,482      | 3,669,243      |
| New York.....                        | 18,511,810     | 18,882,046     | 12,650,971     |
| North Carolina.....                  | 33,232,600     | 33,628,497     | 23,784,746     |
| North Dakota.....                    | 151,400        | 1,000,000      | 670,000        |
| Ohio.....                            | 16,730,550     | 17,065,161     | 11,433,658     |
| Oklahoma.....                        | 8,800,460      | 8,976,469      | 6,014,234      |
| Oregon.....                          | 7,355,540      | 7,502,651      | 5,026,776      |
| Pennsylvania.....                    | 18,978,980     | 19,358,560     | 14,223,888     |
| Rhode Island.....                    | —              | 1,000,000      | 670,000        |
| South Carolina.....                  | 21,008,360     | 21,428,527     | 14,357,113     |
| South Dakota.....                    | 3,174,600      | 3,238,092      | 2,169,522      |
| Tennessee.....                       | 20,218,680     | 20,623,054     | 13,817,446     |
| Texas.....                           | 19,948,370     | 20,347,337     | 13,632,716     |
| Utah.....                            | 2,919,650      | 2,978,043      | 1,995,289      |
| Vermont.....                         | 3,831,600      | 3,908,232      | 2,618,515      |
| Virginia.....                        | 15,865,320     | 16,182,626     | 10,842,360     |
| Washington.....                      | 7,280,420      | 7,426,028      | 4,975,439      |
| West Virginia.....                   | 7,309,260      | 7,455,445      | 4,995,148      |
| Wisconsin.....                       | 13,250,620     | 13,515,632     | 9,055,474      |
| Wyoming.....                         | —              | 1,000,000      | 670,000        |
| Puerto Rico.....                     | 11,804,530     | 12,040,621     | 8,669,247      |
| Trust Territories..                  | —              | 1,000,000      | 670,000        |
| Virgin Islands.....                  | 63,600         | 1,000,000      | 670,000        |
| Total, Available or<br>Estimate..... | 554,934,380    | 571,870,000    | 391,000,000    |



Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Insurance Fund

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Farm Labor Housing Loan Program

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|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
|                                      | <hr/>          | <hr/>          | <hr/>          |
| Alabama.....                         | —              | 180,000        | 300,000        |
| Arizona.....                         | --             | 180,000        | 300,000        |
| Arkansas.....                        | 355,480        | 266,610        | 359,924        |
| California.....                      | 4,138,620      | 3,103,965      | 4,254,376      |
| Connecticut.....                     | 83,000         | 180,000        | 300,000        |
| Florida.....                         | 1,197,510      | 898,133        | 1,212,479      |
| Hawaii.....                          | 361,850        | 271,388        | 300,000        |
| Idaho.....                           | --             | 180,000        | 300,000        |
| Louisiana.....                       | —              | 180,000        | 300,000        |
| Maine.....                           | 40,000         | 180,000        | 300,000        |
| Maryland.....                        | —              | 180,000        | 300,000        |
| Massachusetts.....                   | --             | 180,000        | 300,000        |
| Michigan.....                        | 1,412,510      | 1,077,276      | 1,454,323      |
| Mississippi.....                     | 136,510        | 180,000        | 300,000        |
| Nevada.....                          | —              | 180,000        | 300,000        |
| New Hampshire.....                   | --             | 180,000        | 300,000        |
| New Jersey.....                      | 883,000        | 662,250        | 894,038        |
| New Mexico.....                      | --             | 180,000        | 300,000        |
| New York.....                        | 1,259,699      | 944,774        | 1,275,445      |
| North Carolina.....                  | 245,000        | 183,750        | 248,063        |
| Oregon.....                          | 233,020        | 174,765        | 235,933        |
| Pennsylvania.....                    | 35,300         | 180,000        | 300,000        |
| South Carolina.....                  | 160,000        | 180,000        | 300,000        |
| Texas.....                           | --             | 180,000        | 300,000        |
| Vermont.....                         | 320,000        | 240,000        | 324,000        |
| Virginia.....                        | --             | 180,000        | 300,000        |
| Washington.....                      | 584,120        | 438,090        | 591,422        |
| Wisconsin.....                       | --             | 180,000        | 300,000        |
|                                      | <hr/>          | <hr/>          | <hr/>          |
| Total, Available or<br>Estimate..... | 11,445,619     | 11,321,000     | 16,250,000     |
|                                      | <hr/>          | <hr/>          | <hr/>          |

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Insurance Fund

Rural Rental Assistance Payments

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 8,495,143      | 8,919,900      | \$8,603,673    |
| Alaska.....                          | 1,093,653      | 1,700,000      | 1,445,000      |
| Arizona.....                         | 4,529,270      | 4,755,734      | 4,042,373      |
| Arkansas.....                        | 5,070,573      | 5,324,102      | 4,525,486      |
| California.....                      | 12,416,828     | 12,950,213     | 12,029,439     |
| Colorado.....                        | 3,269,912      | 3,433,408      | 2,918,396      |
| Connecticut.....                     | 1,447,157      | 1,700,000      | 1,445,000      |
| Delaware.....                        | 508,162        | 1,700,000      | 1,445,000      |
| Florida.....                         | 7,998,028      | 8,397,929      | 7,138,240      |
| Georgia.....                         | 6,738,670      | 7,075,604      | 6,014,263      |
| Hawaii.....                          | 1,502,392      | 1,700,000      | 1,445,000      |
| Idaho.....                           | 3,634,463      | 3,816,186      | 3,243,758      |
| Illinois.....                        | 8,230,015      | 8,641,516      | 7,345,288      |
| Indiana.....                         | 6,584,012      | 6,913,213      | 5,876,231      |
| Iowa.....                            | 8,881,788      | 9,325,877      | 7,926,996      |
| Kansas.....                          | 3,678,651      | 3,862,584      | 3,283,196      |
| Kentucky.....                        | 5,468,265      | 5,741,678      | 4,880,427      |
| Louisiana.....                       | 6,959,610      | 7,307,591      | 6,211,452      |
| Maine.....                           | 9,047,493      | 9,499,868      | 8,074,888      |
| Maryland.....                        | 2,242,541      | 2,354,668      | 2,001,468      |
| Massachusetts.....                   | 2,441,387      | 2,563,456      | 2,178,938      |
| Michigan.....                        | 9,743,454      | 10,230,627     | 8,696,033      |
| Minnesota.....                       | 7,169,503      | 7,527,978      | 6,398,781      |
| Mississippi.....                     | 10,605,120     | 11,047,920     | 10,412,490     |
| Missouri.....                        | 6,363,072      | 6,681,226      | 5,679,042      |
| Montana.....                         | 2,021,601      | 2,122,681      | 1,804,279      |
| Nebraska.....                        | 2,706,515      | 2,841,841      | 2,415,565      |
| Nevada.....                          | 1,248,311      | 1,700,000      | 1,445,000      |
| New Hampshire.....                   | 2,165,212      | 2,273,473      | 1,932,452      |
| New Jersey.....                      | 1,425,063      | 1,700,000      | 1,445,000      |
| New Mexico.....                      | 3,137,348      | 3,294,215      | 2,800,083      |
| New York.....                        | 4,750,210      | 4,987,721      | 4,239,562      |
| North Carolina.....                  | 14,891,356     | 15,548,468     | 14,237,956     |
| North Dakota.....                    | 2,927,455      | 3,073,828      | 2,612,754      |
| Ohio.....                            | 11,168,517     | 11,639,488     | 10,915,414     |
| Oklahoma.....                        | 4,606,599      | 4,836,929      | 4,111,390      |
| Oregon.....                          | 5,280,466      | 5,544,489      | 4,712,816      |
| Pennsylvania.....                    | 5,656,064      | 5,938,867      | 5,048,037      |
| Rhode Island.....                    | 55,235         | 1,700,000      | 1,445,000      |
| South Carolina.....                  | 9,489,373      | 9,963,842      | 9,490,934      |
| South Dakota.....                    | 3,457,711      | 3,630,597      | 3,086,007      |
| Tennessee.....                       | 7,224,738      | 7,585,975      | 6,448,079      |
| Texas.....                           | 17,200,179     | 18,060,188     | 15,351,160     |
| Utah.....                            | 3,004,784      | 3,155,023      | 2,681,770      |
| Vermont.....                         | 1,005,277      | 1,700,000      | 1,445,000      |
| Virginia.....                        | 5,401,983      | 5,672,082      | 4,821,270      |
| Washington.....                      | 5,446,171      | 5,718,480      | 4,860,708      |
| West Virginia.....                   | 4,330,424      | 4,546,945      | 3,864,903      |
| Wisconsin.....                       | 7,202,644      | 7,562,776      | 6,428,360      |
| Wyoming.....                         | 839,572        | 1,700,000      | 1,445,000      |
| Puerto Rico.....                     | 3,093,160      | 3,247,818      | 2,760,645      |
| Trust Territories..                  | --             | 1,700,000      | 1,445,000      |
| Virgin Islands.....                  | 1,447,157      | 1,700,000      | 1,445,000      |
|                                      |                |                |                |
| Total, Available or<br>Estimate..... | 275,302,287    | 296,317,000    | 258,000,000    |

Farmers Home Administration  
1989 and Estimated 1990 and 1991  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
Rural Housing Insurance Fund

|                                         | Rental Assistance |                |                |
|-----------------------------------------|-------------------|----------------|----------------|
|                                         | 1989<br>Amount    | 1990<br>Amount | 1991<br>Amount |
| Minnesota.....                          | 88,376            | —              | —              |
| Total, Available or 1/<br>Estimate..... | 88,376            | 5,000,000      | 11,800,000     |

1/Distribution cannot be determined in advance.



## FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Agricultural Credit Insurance Fund:

- For direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows:
- 1 farm ownership loans, [~~\$569,000,000~~] \$175,000,000, of which [~~\$13,500,000~~ shall not become available for obligation until October 1, 1990, (for the purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119, September 29, 1987)), to the extent that this action has the effect of transferring an outlay of the United States from one fiscal year to an adjacent fiscal year, such transfer is a necessary (but secondary) result of a significant policy
  - 2 change) and \$475,500,000] \$150,000,000 shall be guaranteed loans and
  - 3 \$50,000,000 of such guaranteed loans may be subsidized; [\$7,000,000 for water development, use, and conservation loans, of which \$1,500,000 shall be guaranteed loans;] operating loans, [\$3,500,000,000] \$3,100,000,000, of
  - 4 which \$2,600,000,000 shall be guaranteed loans and \$350,000,000 of such
  - 5 guaranteed loans may be subsidized; [Indian tribe land acquisition loans as
  - 6 authorized by 25 U.S.C. 488, \$1,000,000;] for direct emergency [insured and guaranteed] loans, [\$600,000,000] \$25,000,000 to meet the needs resulting from natural disasters; and for matching grants authorized by section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5101-5106), [~~\$3,500,000~~] \$2,000,000.

- For an additional amount to reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)),
- 7 [\$4,120,159,000] \$6,014,356,000. In addition, \$33,227,000 is appropriated from the general fund solely for the purpose of reducing the interest rate, by no more than an average of 3%, on FY 1991 guarantees totaling \$400,000,000. No other funds may be added to this amount for the purpose of reducing interest rates. (Rural Development, Agriculture, and Related Agencies Appropriations Act, 1990.)

The first change deletes language that is no longer necessary. It relates to a one-time transfer that has been completed.

The second change adds this language to indicate the amount of guaranteed farm ownership loans which may be subsidized under the new interest subsidy program.

The third change deletes this language since no programs, direct or guaranteed, are proposed for soil and water loans in fiscal year 1991.

The fourth change adds this language to indicate the amount of guaranteed farm operating loans which may be subsidized under the new interest subsidy program.

The fifth change deletes this language since no program is proposed for Indian tribe land acquisition loans in fiscal year 1991.

The sixth change deletes the language for guaranteed loans and changes the reference from insured to direct loans.

The seventh change adds this language to provide appropriated funds for the maximum expected lifetime interest subsidy cost on subsidized guaranteed loans obligated in fiscal year 1991. The language also sets a limit on the average subsidy rate and on the dollar amount of loans that may be subsidized.



## Agricultural Credit Insurance Fund

## (a) On Basis of Loan and Grant Levels

|                                          |                       |
|------------------------------------------|-----------------------|
| Program Loan and Grant Levels, 1990..... | \$4,704,100,000       |
| Program Loan and Grant Levels, 1991..... | 3,315,500,000         |
| Decrease in Loan and Grant Levels.....   | <u>-1,388,600,000</u> |

## Adjustments in 1990

|                                                  |                      |               |
|--------------------------------------------------|----------------------|---------------|
| Appropriation Act, 1990.....                     | \$4,671,600,000      |               |
| Supplemental Appropriation Act, 1989.....        | +32,500,000          |               |
| Total.....                                       | <u>4,704,100,000</u> |               |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)... | -40,300,000          |               |
| Adjusted base for 1990.....                      |                      | 4,663,800,000 |

## Adjustment in 1991

|                                         |               |                       |
|-----------------------------------------|---------------|-----------------------|
| Budget estimate, Current Law, 1991..... | 3,302,000,000 |                       |
| Appropriation Act, 1990.....            | +13,500,000   |                       |
| Total in 1991.....                      |               | <u>3,315,500,000</u>  |
| Decrease from adjusted 1990.....        |               | <u>-1,348,300,000</u> |

SUMMARY OF INCREASE AND DECREASES  
(On basis of loan and grant levels)

| Item of Change                                          | 1990<br>Authorized          | Program<br>Changes | 1991<br>Estimated           |
|---------------------------------------------------------|-----------------------------|--------------------|-----------------------------|
| Farm ownership loans:                                   |                             |                    |                             |
| Direct.....                                             | \$ 80,000,000               | -\$ 41,500,000     | \$ 38,500,000 <sup>a/</sup> |
| Guaranteed.....                                         | 719,279,000 <sup>b/</sup>   | -569,279,000       | 150,000,000 <sup>b/</sup>   |
| Farm operating loans:                                   |                             |                    |                             |
| Direct.....                                             | 932,500,000 <sup>c/</sup>   | -432,500,000       | 500,000,000                 |
| Guaranteed.....                                         | 2,315,985,000 <sup>b/</sup> | +284,015,000       | 2,600,000,000 <sup>b/</sup> |
| Emergency disaster loans.....                           | 600,000,000                 | -575,000,000       | 25,000,000                  |
| Soil and water loans:                                   |                             |                    |                             |
| Direct.....                                             | 5,500,000                   | -5,500,000         | --                          |
| Guaranteed.....                                         | 1,480,000                   | -1,480,000         | --                          |
| Indian tribe land<br>acquisition loans.....             | 1,000,000                   | -1,000,000         | --                          |
| Watershed protection and<br>flood prevention loans..... | 4,000,000                   | -4,000,000         | --                          |
| Resource conservation and<br>development loans.....     | 600,000                     | -600,000           | --                          |
| State mediation grants.....                             | 3,456,000                   | -1,456,000         | 2,000,000                   |
| TOTAL (adjusted).....                                   | 4,663,800,000               | -1,348,300,000     | 3,315,500,000               |

a/ Includes \$13,500,000 that will become available for obligation in fiscal year 1991 as provided by P.L. 101-161.

b/ The Agricultural Credit Act of 1987 provides that the Secretary may transfer such amounts as may be necessary from farm operating guaranteed loans to farm ownership guaranteed loans. The Agency transferred \$250,000,000 in fiscal year 1990 and proposes a transfer be made in fiscal year 1991, if necessary, to fund loans for the purchase of Farm Credit System land.

c/ Includes a \$32,500,000 transfer from the fiscal year 1989 unobligated balance in the direct operating loan program to the direct operating loan program in fiscal year 1990 as provided by the 1989 Supplemental Appropriation Act, P.L. 101-45.

**PROJECT STATEMENT**  
(On basis of loan and grant levels)  
(In thousands of dollars)

| Project                      | 1989<br>Actual   | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|------------------------------|------------------|-------------------|-------------------------|-------------------|
| Farm ownership loans:        |                  |                   |                         |                   |
| Direct.....                  | \$ 94,933        | \$ 80,000         | -\$41,500(1)            | \$ 38,500a/       |
| Guaranteed.....              | 305,159b/        | 719,279b/         | -569,279(2)             | 150,000b/         |
| Farm operating loans:        |                  |                   |                         |                   |
| Direct.....                  | 856,018          | 932,500c/         | -432,500(3)             | 500,000           |
| Guaranteed.....              | 879,174b/        | 2,315,985b/       | +284,015(4)             | 2,600,000b/       |
| Emergency disaster loans..   | 73,493           | 600,000           | -575,000(5)             | 25,000            |
| Soil and water loans:        |                  |                   |                         |                   |
| Direct.....                  | 5,499            | 5,500             | -5,500(6)               | --                |
| Guaranteed.....              | 440              | 1,480             | -1,480(6)               | --                |
| Indian tribe land            |                  |                   |                         |                   |
| acquisition loans.....       | 120              | 1,000             | -1,000(7)               | --                |
| Watershed protection and     |                  |                   |                         |                   |
| flood prevention loans..     | --               | 4,000             | -4,000(8)               | --                |
| Resource conservation and    |                  |                   |                         |                   |
| development loans.....       | --               | 600               | -600(9)                 | --                |
| State mediation grants....   | 3,000            | 3,456             | -1,456(10)              | 2,000             |
| <b>TOTAL (adjusted).....</b> | <b>2,217,836</b> | <b>4,663,800</b>  | <b>-1,348,300</b>       | <b>3,315,500</b>  |
| Gramm-Rudman-Hollings        |                  |                   |                         |                   |
| Reduction.....               | --               | 40,300            |                         |                   |
| <b>TOTAL LEVELS.....</b>     | <b>2,217,836</b> | <b>4,704,100</b>  |                         |                   |

Staff-years are reflected in the Salaries and Expenses Project Statement and the Available Funds and Staff Years Table.

a/ Includes \$13,500,000 that will become available for obligation in fiscal year 1991 as provided by P.L. 101-161.

b/ The Agricultural Credit Act of 1987 provides that the Secretary may transfer such amounts as may be necessary from farm operating guaranteed loans to farm ownership guaranteed loans. The Agency transferred \$250,000,000 in fiscal years 1989 and 1990 and proposes a transfer be made in fiscal year 1991, if necessary, to fund loans for the purchase of Farm Credit System land.

c/ Includes a \$32,500,000 transfer from the fiscal year 1989 unobligated balance in the direct operating loan program to the direct operating loan program in fiscal year 1990 as provided by P.L. 101-45.

**EXPLANATION OF PROGRAM**

The Agricultural Credit Insurance Fund and its associated loan programs are authorized by title III of the Consolidated Farm and Rural Development Act, as amended. The State Mediation Grant Program is authorized by title V of the Agricultural Credit Act of 1987.

This fund is used to insure or guarantee farm ownership, soil and water, farm operating, emergency, Indian tribe land acquisition, watershed protection, flood prevention, and resource conservation and development loans.

Public Law 92-419, approved August 30, 1972, abolished the Farmers Home Administration Direct Loan Account and the Emergency Credit Revolving Fund and provided for transfer of the assets and liabilities of, and authorizations applicable to, these accounts to the Agricultural Credit Insurance Fund. It also provided for transfer from the Agricultural Credit Insurance Fund to the Rural Development Insurance Fund of the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities.

### Real Estate Loans

Subtitle A of the Consolidated Farm and Rural Development Act contains the authorizations for farm ownership loans, recreation loans, and soil and water loans to individuals, and to farm cooperatives and private domestic corporations and partnerships that are controlled by farmers and ranchers, engaged primarily and directly in farming or ranching in the United States. Soil and water and recreation loans are each contained as a separate type of loan because the law sets forth eligibility requirements for these loans that differ somewhat from the eligibility requirements for farm ownership loans. In most respects, however, soil and water, recreation and farm ownership loans are subject to similar authorizations and limitations but not purposes. Direct loan borrowers are required to graduate to other credit sources when they are able to do so.

Farm Ownership Loans. Farm ownership loans, accompanied by supervisory assistance in farm and financial management, preserve and improve the family farm pattern of American agriculture and strengthen the economy of rural communities.

Farm ownership loans are used for:

1. Maintaining family farms: Farm ownership loans help owner-operators restructure their debts, including those who are highly leveraged who utilize their real estate equities to refinance heavy short-term debts. In other instances, the owner-operators use real estate credit and assistance to make further adjustments in their operations, to comply with local sanitation and pollution abatement requirements, to keep up with advances in agricultural technology, to better utilize their land and labor resources and to meet changing market requirements. Farm ownership loans may be used to finance income producing recreational enterprises or other nonfarm enterprises which supplement but do not supplant farm income.
2. Purchase and development of farms: One of the functions of the farm ownership loan program is to assist farmers, especially beginning farmers, in the purchase and enlargement of farms. Applicants eligible for these loans may use this assistance for combining small tracts of land, making basic soil improvements, establishing permanent pastures, improving dwellings and essential farm buildings, developing land and water, controlling pollution, producing or saving energy, adding a nonfarm enterprise and taking other measures to increase the efficiency and income-producing capacity of their holdings.

Farm ownership loans are made to eligible individuals, cooperatives, corporations, partnerships or joint operators who (1) have sufficient training or farm experience to assure reasonable prospects of success in the proposed operation, (2) are or will become owner-operators of not larger than family-size farms, and (3) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near where the applicant resides for loans for similar purposes and periods of time.

Loans are made for 40 years or less. A direct loan may not exceed \$200,000 and a guaranteed loan may not exceed \$300,000. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to one percent additional. However, loans to limited resource borrowers bear interest of not more than one-half of the cost-of-money but not less than five percent per year. The applicable interest rate is increased by two percent if the project being financed involves the use of prime farm land for non-farm purposes. The interest rate for guaranteed loans is negotiated by the lender and the borrower and may be subsidized under the interest buy-down program. In addition, a specific amount of guaranteed loans may be subsidized for the purpose of providing an interest subsidy so that moderate-income borrowers may move from the direct loan program to the guaranteed loan program.



Soil and Water Loans. Soil and water loans are made to individuals, cooperatives, corporations, partnerships or joint operators who own and/or operate a farm. Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms prevailing in the community where the farm is located. The loans may be made for soil conservation, development and use; forestation; drainage of farmland; establishment of permanent pasture; pollution control and energy saving measures. The loan limit is \$200,000 for a direct loan and \$300,000 for a guaranteed loan. The repayment period may be up to 40 years. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to one percent additional. The interest rate is increased by two percent if the project being financed involves the use of prime farm land for nonfarm purposes. Guaranteed loans bear an interest rate negotiated by the lender and the borrower.

#### Operating Loans

Subtitle B of the Consolidated Farm and Rural Development Act contains the authorization for direct and guaranteed operating loans. Operating loans made by the Farmers Home Administration are accompanied by supervisory assistance in farm and financial management. Operating credit is targeted to family farmers throughout the United States, who are unable to obtain credit from private and cooperative sources, to develop or maintain a reasonable standard of living. The use of operating loan funds for this purpose helps provide opportunity for farm operators to conduct successful farm operations.

Loans are made to assist (1) full-time and part-time operators to continue in agriculture and to improve their farm and home operations, (2) part-time farm operators to convert their farming operations to full-time and to improve their income and level of living while continuing to live in rural areas, (3) young farmers who lack the necessary credit to acquire the resources needed for success, and (4) rural youths.

Operating loans are made to individuals, partnerships, corporations, cooperatives or joint operators who operate not larger than family-size farms or ranches, who (1) have sufficient training or farm experience to assure reasonable prospects of success in the proposed operation, (2) are or will become operators of not larger than family farms, except for rural youths, and (3) are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near where the applicant resides, for loans for similar purposes and periods of time.

Operating loans may be made for paying costs incident to reorganizing a farming system for more profitable operations; purchasing livestock, poultry and farm equipment; purchasing feed, seed, fertilizer, insecticides, and farm supplies and meeting other essential operating expenses; financing land and water development, use, and conservation; developing recreation and other nonfarm enterprises; and refinancing existing indebtedness.

The loan limit is \$200,000 for a direct loan and \$400,000 for a guaranteed loan. Operating loans may be scheduled for payment over periods from 1 to 7 years depending on loan purposes. The interest rate for direct loans is determined by the Secretary of Agriculture and does not exceed the cost-of-money to the Government, plus up to one percent additional. However, loans to limited resource borrowers bear interest at a rate three percent below the cost-of-money. The interest rate is increased by two percent if the project being financed involves the use of prime farm land for nonfarm purposes. The interest rate for guaranteed loans is negotiated by the lender and the borrower and may be subsidized under the interest buy-down program. In addition, a specific amount of guaranteed loans may be subsidized for the purpose of providing an interest subsidy so that moderate-income borrowers may move from the direct loan program to the guaranteed loan program.

Direct loan borrowers are encouraged to supplement their operating loans with credit from other sources when this is feasible. They are required to graduate to other credit sources when able to do so.

### Emergency Disaster Loans

Emergency loans are made available in designated areas (counties) and in contiguous counties where property damage and/or severe production losses have occurred as a direct result of a natural disaster. Areas may be declared by the President or designated for emergency loan assistance by the Secretary of Agriculture.

Emergency loans are made to established, eligible, family size farmers, ranchers and aquaculture operators. Partnerships and private domestic corporations and cooperatives may also qualify, providing they are primarily engaged in agricultural or aquacultural production. Loans may be made only for actual losses arising from natural disasters. A farmer who cannot receive credit elsewhere is eligible for an actual loss loan of up to \$500,000 or the calculated actual loss, whichever is less, for each disaster at an interest rate of four and one-half percent. The Disaster Assistance Act of 1989 waived the requirement that applicants for emergency loans must have crop insurance for 1989 crops. However, applicants must agree to obtain crop insurance for their 1990 crops if they receive emergency assistance subject to certain exclusions and exemptions.

Actual loss loans may be made for physical losses to repair, restore or replace damaged or destroyed farm property, livestock and livestock products, and supplies, and for production losses to compensate for loss of income based on reduced production of crops and/or livestock products resulting from the disaster. Eligible farmers may use actual loss loan funds to purchase livestock, poultry, or other animals and pay costs incident to reorganizing a farming system to make it a sound operation. The reorganized farming operation, however, must be approximately equivalent in earning capacity to the operation conducted prior to the disaster. Under certain conditions, loan funds may be used to buy essential home equipment and furnishings and for limited refinancing of debts.

Repayment terms for actual loss loans vary according to the purposes of the loan, type of collateral available to secure the loan, and the projected repayment ability of the borrower. Loans for actual production or physical losses to crops, livestock, supplies and equipment may be scheduled for repayment for up to seven years. Under some conditions a longer repayment period may be authorized for production loss loans, but not to exceed 20 years. Generally, real estate will be needed as security when more than seven years is authorized. Loss loans for actual losses to real estate will generally be scheduled for repayment within 30 years but under some conditions may be scheduled for up to 40 years.

### Loans to Associations and Groups

Subtitle A of the Consolidated Farm and Rural Development Act contains the authorization for Indian tribe land acquisition loans. In addition, watershed works of improvement and flood prevention loans are made to associations under the Watershed Protection Act, as amended (Public Law 83-566), and resource conservation and development loans are made to associations under section 102 of Public Law 87-703, and other existing Departmental authorities.

Indian Tribe Land Acquisition Loans. Public Law 91-229, approved April 11, 1970, authorized loans to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act, which does not have adequate uncommitted funds, to acquire lands or interest in lands within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof. Loans are made for 40 years or less. The interest rate for these loans is determined by the Secretary of Agriculture. It does not exceed the cost-of-money to the Government, plus up to one percent additional, except, those tribes that are unable to pay the higher rate may be charged a lower interest rate.



Watershed Works of Improvement and Flood Prevention Loans. Loans are made to local organizations for financing the local share of the cost of installing, repairing or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs in approved watershed works of improvement and flood prevention projects. FmHA has been assigned responsibility for making these loans to sponsors of such projects approved for operation by the Soil Conservation Service. No loan may be made until the Soil Conservation Service and the local organization have agreed on a plan for works of improvement. Public Law 92-419, approved August 30, 1972, provided for making such loans on a direct basis under the Agricultural Credit Insurance Fund.

These loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. For any single plan for works of improvement, the amount of the loan may not exceed \$10 million.

Resource Conservation and Development Loans. Loans are made to local sponsoring organizations when needed for financing the local share of the cost of installing, repairing or improving works of improvement, purchasing sites or rights-of-way and for related costs in approved resource conservation and development projects. The Farmers Home Administration has been assigned responsibility for making these loans to sponsors of resource conservation and development projects approved for operation by the Soil Conservation Service. No loan may be made until the Soil Conservation Service and the local organization have agreed on a plan for development work. Public Law 92-419, approved August 30, 1972, provided for making such loans on a direct basis under the Agricultural Credit Insurance Fund.

These loans are repayable in not more than 30 years. Loans bear interest at a rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity.

#### State Mediation Grants

Title V of the Agricultural Credit Act of 1987 contains the authorization for state mediation grants. Grants are made to states which have been certified by FmHA as having an agricultural loan mediation program. Grants will be solely for operation and administration of the state's agricultural loan mediation program. A grant will not exceed 50 percent of the total fiscal year funds that a qualifying state requires to operate and administer its agricultural loan mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

#### JUSTIFICATION OF INCREASE AND DECREASES

The FY 1991 Budget proposes to continue the initiative of the Food Security Act of 1985 to shift from direct loan programs to guaranteed loan programs. The focus on guaranteed lending will facilitate graduations of loans from FmHA to private lenders, and the transfer of most loan making responsibilities to private lenders will enable FmHA to concentrate on providing supervised credit assistance to needy borrowers, insure an effective guarantee/graduation process, and allow for improved servicing of the existing portfolio. The adequate servicing and supervision of delinquent farmer program loans to assist borrowers to overcome financial and management difficulties and to protect the Government's interest is, and continues to be, a prime concern of FmHA. The Agency makes every effort possible to assist financially pressed farm borrowers to overcome their difficulties. FmHA has found it necessary, in recent past times of economic stress, to assist applicants and borrowers to remain in farming with some of the most lenient lending policies in its history.

The 1991 Budget includes a major new initiative, a guaranteed interest subsidy program. This program will be used to move moderate-income borrowers from the Agency's direct farm ownership and farm operating loan programs to the guaranteed loan programs. The interest subsidy will be from 1 to 4 percent but will average no more than 3 percent. This level is anticipated to be sufficient to assist moderate-income borrowers who are not able to pay private sector rates without financial assistance. The program will enable FmHA to utilize private credit sources to make and service loans. In fiscal year 1991, guarantees assisted by interest subsidy will be authorized at \$400 million. This program is discussed in greater detail in the guaranteed subsidy section (b). The interest rate reduction program, as authorized by the Agricultural Credit Act of 1987, will continue through 1993. This program requires a matching interest rate reduction of up to 2 percent by commercial banks.

A number of other initiatives FmHA has previously taken to expand the use of the private credit markets under guaranteed lending will be continued in 1991. Among them are:

Interest buy-down program. The objective of the interest buy-down program is to afford farmers an opportunity to borrow money or continue a loan at two to four points less than the lenders' going rate. FmHA will "buy-down" one or two points to match a reduction by the lender. In addition, in accordance with the Agricultural Credit Act of 1987, P.L. 100-233, a demonstration project will be undertaken in which certificates of eligibility may be issued to FmHA eligible borrowers to reduce the interest rate paid by the borrowers on loans obtained from legally organized lending institutions and Farm Credit System institutions to purchase acquired properties owned by institutions of the Farm Credit System certified to issue preferred stock under section 6.27 of the Farm Credit Act of 1971. Such certificates may be used to reduce the interest rate payable by an eligible borrower on a guaranteed loan by not more than four percent.

Operation assist. Operation assist is a referral and outreach program that will continue to help farmers obtain operating credit under FmHA's guaranteed loan program.

Line of credit authority. This authority allows a farmer to establish a line of credit with a participating lender for certain guaranteed farm operating loan purposes.

The following adjustments result in a net decrease of \$1,348,300,000 for loan and grant programs financed through the Agricultural Credit Insurance Fund.

- (1) A decrease of \$41,500,000 for direct farm ownership loans (\$80,000,000 available in 1990).

Need for Change. New real estate lending will be kept at a minimum level and used to establish annual target participation rates on a county wide basis that will ensure that members of socially disadvantaged groups will receive real estate loans and have the opportunity to purchase or lease inventory farmland. Moderate-income borrowers will be assisted with a guaranteed loan accompanied by an interest subsidy from one to four percent, but will average no more than three percent. Real estate credit for existing FmHA borrowers will continue to be available through reamortization and rescheduling of loans secured by real estate. Farm ownership loans for new and beginning farmers will be served by credit sales from farm inventory property.

Nature of Change. This program will be maintained at a minimum level to enable members of socially disadvantaged groups to take advantage of the Agency's long term farm ownership loan program.

- (2) A decrease of \$569,279,000 for guaranteed farm ownership loans (\$719,279,000 available in 1990).

Need for Change. A minimum program will be maintained to facilitate graduation of FmHA borrowers to private sector credit sources. The Agricultural Credit Act of 1987 authorizes the transfer of funds from guaranteed farm operating loans to guaranteed farm ownership loans. In FY 1990, the Agency transferred an amount of \$250,000,000 and proposes a transfer be made in fiscal year 1991, if necessary, to fund loans for purchases of Farm Credit System land. Excluding this 1990 transfer, the actual program decrease is \$319,279,000.

Nature of Change. This program will be maintained at a minimum level to give priority to operating credit needs. Of the \$150 million level, \$50 million may be subsidized.

- (3) A decrease of \$432,500,000 for direct farm operating loans (\$932,500,000 available in 1990).

Need for Change. The Agency will make maximum use of the guaranteed operating loan program, in lieu of the subsidized direct loan program, to facilitate participation of the private agricultural credit sector. All the direct loans will be made at the limited resource rate to low-income borrowers. This decrease will be offset by providing \$350 million in subsidized guaranteed loans.

Nature of Change. The program level will provide 11,060 direct loans in FY 1991.

- (4) An increase of \$284,015,000 for guaranteed farm operating loans (\$2,315,985,000 available in 1990).

Need for Change. The Agency will make use of the guaranteed operating loan program to facilitate participation of the private agricultural credit sector. In addition to the new interest subsidy program, operation assist, line of credit authority, and the existing interest buy down program will increase participation of lenders in the guaranteed loan program. Also, the Agency has coordinated and worked with the Farm Credit Administration and private lenders to increase participation in the guaranteed loan area. The shift toward guaranteed lending will facilitate graduation of FmHA borrowers to private sector credit sources and focus FmHA staff resources on servicing requirements of its delinquent borrowers. The Agricultural Credit Act of 1987 authorizes the transfer of funds from guaranteed farm operating loans to guaranteed farm ownership loans. In FY 1990, the Agency transferred an amount of \$250,000,000 and proposes a transfer be made in fiscal year 1991, if necessary, to fund loans for the purchase of Farm Credit System land. The actual program increase, excluding the 1990 transfer, is \$34,015,000.

Nature of Change. The program level will provide 26,915 guaranteed loans in FY 1991.

- (5) A decrease of \$575,000,000 for emergency disaster loans (\$600,000,000 available in 1990).

Need for Change. Of the \$600 million funding level available in FY 1990, only \$100 million is expected to be used for 3,670 loans, the most loans obligated since 1986. In fiscal year 1991, the funding level of \$25 million will fund emergency actual loss loans and should be sufficient to meet demand.

Nature of Change. The level of \$25,000,000 reflects the anticipated level of emergency loans which may be required.

- (6) A decrease of \$5,500,000 for direct and \$1,480,000 for guaranteed soil and water loans (\$6,980,000 available in 1990).

Need for Change. Elimination of the direct and guaranteed soil and water loan programs reflect redirection of Agency lending to guaranteed operating lending function. Also, historically there has been very limited use of the guaranteed soil and water program. Some activities funded under the soil and water loan program may be funded through the direct and guaranteed operating lending program.

Nature of Change. No program is proposed in FY 1991.

- (7) A decrease of \$1,000,000 for direct Indian tribe land acquisition loans (\$1,000,000 available in 1990).

Need for Change. These loans are limited to the acquisition of land within the defined boundaries of a tribe's reservation. Most of the available land has been acquired by the loans now outstanding.

Nature of Change. No program level is proposed in FY 1991.

- (8) A decrease of \$4,000,000 for direct watershed protection and flood prevention loans (\$4,000,000 available in 1990).

Need for Change. There has been little demand for this program in recent years. No loans have been obligated since FY 1987.

Nature of Change. No program level is proposed in FY 1991.

- (9) A decrease of \$600,000 for direct resource conservation and development loans (\$600,000 available in 1990).

Need for Change. There has been little demand for this program in recent years. No loans have been obligated since FY 1985.

Nature of Change. No program level is proposed in FY 1991.

- (10) A decrease of \$1,456,000 for state mediation grants (\$3,456,000 available in 1990).

Need for Change. Following peak demand for this program in 1990, the need for mediation is expected to decline.

Nature of Change. The level of \$2,000,000 reflects the anticipated level of state mediation grants which may be required.



(b) Appropriation for Interest Subsidies for Guaranteed Loans

|                                |                    |
|--------------------------------|--------------------|
| Appropriation Act, 1990.....   | --                 |
| Budget Estimate, 1991.....     | \$33,227,000       |
| Increase in Appropriation..... | <u>+33,227,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)  
(In thousands of dollars)

| Project                    | 1989<br>Actual | 1990<br>Estimated | Increase   | 1991<br>Estimated |
|----------------------------|----------------|-------------------|------------|-------------------|
| Appropriation for Interest | :              | :                 | :          | :                 |
| Subsidies:                 | :              | :                 | :          | :                 |
| Farm ownership loans.....  | --             | --                | +\$12,845  | \$12,845          |
| Farm operating loans.....  | --             | --                | +20,382    | 20,382            |
| Total Appropriation.....   | --             | --                | +33,227(1) | 33,227            |

EXPLANATION OF PROGRAM

It is the policy of the Farmers Home Administration to move its rural credit functions from direct lending to guaranteed lending. Increasing the role of the private sector will enable the Agency to devote more of its resources to working on public policy initiatives such as counseling and graduation and to more effectively manage its outstanding portfolio. The Economic Research Service has indicated rural lenders have adequate reserves for increased lending in 1990 and 1991. Accordingly, more banks will be able to participate in our guaranteed loan program. However, the private sector needs an incentive to participate, and we believe this program provides that incentive.

Under this program, interest subsidy payments would be made to guaranteed lenders to assist moderate-income borrowers who would not be able to pay private sector rates without financial assistance to move from the Agency's existing direct loan portfolio to the guaranteed loan portfolio. The interest subsidy will range from 1 to 4 percent, but will average no more than 3 percent on \$50 million of farm ownership subsidized loans and \$350 million of farm operating subsidized loans. The amount of interest rate reduction would be tailored to individual borrowers' ability to cash flow.

The Budget requests a FY 1991 appropriation sufficient to finance the full potential costs of these interest subsidies. To assure adequate financing, the projection necessarily assumes that all loans will be carried their full term and that the interest subsidy level will remain constant throughout the life of the loan. However, subsidy amounts will be reevaluated each year in terms of the borrower's income and other factors. It is therefore possible that subsidies may be reduced or that loans may be repaid ahead of schedule. In these circumstances Federal costs would, in fact, be reduced.

This approach of recognizing maximum potential loss to the fund in future years is in contrast to similar loan subsidy costs of direct loans which are recognized each year they actually occur and are then requested in an appropriation to reimburse the fund two years later. While the budgetary treatment for appropriations is different, the aggregate cost to the Federal government for the same amount of subsidy is expected to be similar for both types of loans. The amount of subsidy will, however, vary with the interest rate on the loans and the rate the borrower can afford to pay. It should also be noted that there are significant outlay savings in the year the loans are guaranteed compared to making a direct loan because the loan principal amounts will be provided by the private sector rather than the Federal government.



JUSTIFICATION OF INCREASE

- (1) An increase of \$33,227,000 for the maximum lifetime subsidy cost on subsidized guaranteed loans obligated in 1991 (zero available in 1990).

Need for Change. To finance moderate-income borrowers who are not able to pay private sector rates on guaranteed loans without financial assistance and to encourage more active participation, by lenders, in the guaranteed loan program interest subsidy payments are proposed to be made to guaranteed lenders.

Nature of Change. The amount requested will fund the maximum lifetime interest subsidy cost for subsidized guaranteed loans obligated in FY 1991 at an average interest rate reduction of 3 percent on \$400,000,000 of loan guarantees available for obligation in fiscal year 1991 of which \$262.5 million is estimated to be 1 year loans, \$87.5 million is estimated to be 7 years and \$50 million is estimated to be longer term. After FY 1991, the subsidized guaranteed loan level will increase \$50,000,000 per year to offset decreases in direct farm operating loans.

(c) Reimbursement for Interest Subsidies and Losses

|                                |                       |
|--------------------------------|-----------------------|
| Appropriation Act, 1990.....   | \$4,120,159,000       |
| Budget Estimate, 1991.....     | 6,014,356,000         |
| Increase in Appropriation..... | <u>+1,894,197,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)  
(In thousands of dollars)

| Project                          | 1989<br>Actual | 1990<br>Actual | Increase or<br>Decrease | 1991<br>Estimated |
|----------------------------------|----------------|----------------|-------------------------|-------------------|
| Reimbursement for Interest       |                |                |                         |                   |
| Subsidies and Losses:            |                |                |                         |                   |
| Farm ownership loans.....        | \$ 861,400     | \$1,049,715    | +\$ 78,566              | \$1,128,281       |
| Farm operating loans.....        | 799,744        | 972,053        | +437,861                | 1,409,914         |
| Emergency disaster loans.....    | 1,177,258      | 1,635,507      | +598,382                | 2,233,889         |
| Economic emergency loans.....    | 534,884        | 713,443        | + 86,997                | 800,440           |
| Soil and water conser-           |                |                |                         |                   |
| vation loans.....                | 29,655         | 38,619         | +14,225                 | 52,844            |
| Indian tribe land                |                |                |                         |                   |
| acquisition loans.....           | 9,033          | 9,663          | +782                    | 10,445            |
| Watershed protection and         |                |                |                         |                   |
| flood prevention loans.....      | 8,695          | 8,863          | +807                    | 9,670             |
| Resource conservation and        |                |                |                         |                   |
| development loans.....           | 1,993          | 2,002          | +731                    | 2,733             |
| Other loan programs.....         | 19,934         | 22,294         | +1,846                  | 24,140            |
| Total Losses.....                | 3,442,596      | 4,452,159      | +1,220,197(1)           | 5,672,356         |
| Appropriation for FY 1986 losses |                |                |                         |                   |
| reimbursed in FY 1989.....       | +35,000        | --             | --                      | --                |
| Amount of FY 1987 losses not     |                |                |                         |                   |
| appropriated in FY 1989.....     | -10,000        | --             | --                      | --                |
| Appropriation for FY 1987 losses |                |                |                         |                   |
| reimbursed in FY 1990.....       | --             | +10,000        | -10,000(2)              | --                |
| Amount of FY 1988 losses not     |                |                |                         |                   |
| appropriated in FY 1990.....     | --             | -342,000       | +342,000                | --                |
| Appropriation for FY 1988 losses |                |                |                         |                   |
| not reimbursed in FY 1990.....   | --             | --             | +342,000(3)             | +342,000          |
| Total Appropriation.....         | 3,467,596      | 4,120,159      | +1,894,197              | 6,014,356         |

EXPLANATION OF PROGRAM

This appropriation is proposed to reimburse the Agricultural Credit Insurance Fund for funded interest subsidies and losses incurred in fiscal years 1988 and 1989.

JUSTIFICATION OF INCREASES AND DECREASE

- (1) An increase of \$1,220,197,000 for reimbursement for interest subsidies and losses incurred in 1989 (\$4,452,159,000 in interest subsidies and losses incurred in 1988).

Need for Change. The amount requested will reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses incurred in FY 1989. Interest subsidies resulted primarily from interest costs incurred due to the difference between the interest rate paid by the borrower and the rate the Government is charged to borrow money. Until the passage of the Agricultural Credit Act of 1978, Public Law 95-334, August 4, 1978, many of the loans made from this Fund had been subject to interest rates in effect since 1954. Most of these rates were below the Government's cost-of-money. Limited resource borrowers may be charged interest at a rate lower than the cost-of-money interest rate. The increase results primarily from the Agency writing off uncollectible loans, writing debt (loans) down to net recovery value, and writing off the discount on buy outs at the net recovery value. As part of an effort to improve management of the Agency's portfolio, write-offs will continue to be larger than normal in FY 1990 and FY 1991.

Nature of Change. The amount requested will reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses incurred in FY 1989.

- (2) A decrease of \$10,000,000 for reimbursement of interest subsidies and losses incurred in FY 1987, not reimbursed in FY 1989.

Need for Change. The amount of losses not appropriated in FY 1989 for FY 1987 losses was \$10,000,000.

Nature of Change. The amount of interest subsidies and losses incurred in FY 1987 was reimbursed in FY 1990.

- (3) An increase of \$342,000,000 for reimbursement of interest subsidies and losses incurred in FY 1988, not reimbursed in FY 1990.

Need for Change. The amount of losses not appropriated in FY 1990 for FY 1988 losses was \$342,000,000.

Nature of Change. The amount requested will reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses incurred in FY 1988 that were not reimbursed in FY 1990.

The following schedule presents an analysis of change in the cash position of the Fund.

Change in Cash Position of the Fund  
(In thousands of dollars)

|                                                                          | <u>1989</u><br><u>Actual</u> | <u>1990</u><br><u>Estimated</u> | <u>1991</u><br><u>Estimated</u> |
|--------------------------------------------------------------------------|------------------------------|---------------------------------|---------------------------------|
| Cash balance, beginning of year.....                                     | <u>\$2,709,064</u>           | <u>\$ 20,841</u>                | <u>\$ 31,477</u>                |
| Outlays.....                                                             | <u>-2,987,318</u>            | <u>-2,670,979</u>               | <u>-1,752,950</u>               |
| Funds for financing:                                                     |                              |                                 |                                 |
| Appropriation for reimbursement<br>of interest subsidies and losses..... | 3,467,596                    | 4,120,159                       | 6,014,356                       |
| Appropriation for grants.....                                            | 3,000                        | 3,456                           | 2,000                           |
| Appropriation for guaranteed loan<br>subsidies.....                      | --                           | --                              | 33,227                          |
| Treasury borrowings.....                                                 | 11,240,000                   | 7,100,000                       | 6,250,000                       |
| Repayment of borrowings from Treasury..                                  | -10,451,500                  | -5,220,000                      | -8,540,000                      |
| Repayment of borrowings from FFB.....                                    | <u>-3,960,000</u>            | <u>-3,322,000</u>               | <u>-1,975,000</u>               |
| Net financing .....                                                      | <u>299,096</u>               | <u>2,681,615</u>                | <u>1,784,583</u>                |
| Cash balance, end of year.....                                           | <u>20,841</u>                | <u>31,477</u>                   | <u>63,110</u>                   |

An analysis by loan program of the accrued operating deficit, exclusive of unfunded losses, is shown in the following tables. In accordance with the accounting principles and standards followed by FmHA, this schedule is prepared on an accrual basis.

AGRICULTURAL CREDIT INSURANCE FUND

Operating Income and Expense Statement  
(In Thousands of Dollars)

|                                                 | Income      |           | Total       | Expense       |                |            | Net<br>Total  |
|-------------------------------------------------|-------------|-----------|-------------|---------------|----------------|------------|---------------|
|                                                 | Interest    | Other     |             | Interest      | Write-<br>offs | Other      |               |
| 1989 Actual                                     |             |           |             |               |                |            |               |
| Farm ownership loans                            | \$ 447,377: | \$ 8,955: | \$ 456,332: | \$ 1,192,422: | \$ 319,965:    | \$ 72,226: | \$ 1,128,281: |
| Farm operating loans                            | 336,008:    | 8,204:    | 344,212:    | 898,088:      | 798,041:       | 57,997:    | 1,754,126:    |
| Emergency disaster loans                        | 633,876:    | 9,811:    | 643,687:    | 1,306,676:    | 1,424,446:     | 146,454:   | 2,877,576:    |
| Economic emergency loans                        | 297,396:    | 3,618:    | 301,014:    | 525,129:      | 514,501:       | 61,824:    | 1,101,454:    |
| Soil and water conservation loans               | 20,019:     | 225:      | 20,244:     | 42,000:       | 27,717:        | 3,371:     | 73,088:       |
| Indian tribe land acquisition loans             | 4,868:      | 18:       | 4,886:      | 14,387:       | --:            | 944:       | 15,331:       |
| Watershed protection and flood prevention loans | 3,876:      | 16:       | 3,892:      | 12,618:       | --:            | 944:       | 13,562:       |
| Resource conservation and development loans     | 753:        | 3:        | 756:        | 2,075:        | 335:           | 1,079:     | 3,489:        |
| Other loan programs                             | 7,145:      | 33:       | 7,178:      | 20,112:       | 3,050:         | 8,156:     | 31,318:       |
| TOTAL                                           | 1,751,318:  | 30,883:   | 1,782,201:  | 4,013,507:    | 3,088,055:     | 352,995:   | 7,454,557:    |
|                                                 |             |           |             |               |                |            | -5,672,356:   |



AGRICULTURAL CREDIT INSURANCE FUND

Operating Income and Expense Statement  
(In Thousands of Dollars)

|                                                          | Income     |          |            | Expense      |                |           | Net          |
|----------------------------------------------------------|------------|----------|------------|--------------|----------------|-----------|--------------|
|                                                          | Interest   | Other    | Total      | Interest     | Write-<br>offs | Other     | Total        |
| 1990 Estimated                                           |            |          |            |              |                |           |              |
| Farm ownership loans .....                               | \$ 435,312 | \$ 8,416 | \$ 443,728 | \$ 1,070,367 | \$ 399,217     | \$ 87,825 | \$ 1,557,409 |
| Farm operating loans .....                               | 326,952    | 7,711    | 334,663    | 806,288      | 995,732        | 70,526    | 1,872,546    |
| Emergency disaster loans .....                           | 616,593    | 9,220    | 625,813    | 1,173,045    | 1,777,597      | 178,010   | 3,128,652    |
| Economic emergency loans .....                           | 288,959    | 3,401    | 292,360    | 471,235      | 641,985        | 75,162    | 1,188,382    |
| Soil and water conservation loans .....                  | 19,593     | 212      | 19,805     | 37,829       | 34,681         | 4,121     | 76,631       |
| Indian tribe land acquisition loans ...                  | 4,771      | 17       | 4,788      | 12,970       | --             | 1,159     | 14,129       |
| Watershed protection and flood<br>prevention loans ..... | 3,748      | 17       | 3,765      | 11,168       | --             | 1,159     | 12,327       |
| Resource conservation and<br>development loans .....     | 681        | --       | 681        | 1,801        | 385            | 1,330     | 3,516        |
| Other loan programs .....                                | 7,156      | 26       | 7,182      | 18,014       | 3,853          | 9,959     | 31,826       |
| TOTAL .....                                              | 1,703,765  | 29,020   | 1,732,785  | 3,602,717    | 3,853,450      | 429,251   | 7,885,418    |
|                                                          |            |          |            |              |                |           | -6,152,633   |

AGRICULTURAL CREDIT INSURANCE FUND

Operating Income and Expense Statement  
(In Thousands of Dollars)

|                                                       | Income     |          | Total      | Expense     |            |             | Net Total    |
|-------------------------------------------------------|------------|----------|------------|-------------|------------|-------------|--------------|
|                                                       | Interest   | Other    |            | Write-offs  | Other      | Total       |              |
| 1991 Estimated                                        |            |          |            |             |            |             |              |
| Farm ownership loans .....                            | \$ 401,178 | \$11,606 | \$ 412,784 | \$1,030,436 | \$ 399,217 | \$1,532,591 | -\$1,119,807 |
| Farm operating loans .....                            | 301,316    | 10,633   | 311,949    | 776,208     | 995,732    | 1,854,603   | -1,542,654   |
| Emergency disaster loans .....                        | 568,245    | 12,715   | 580,960    | 1,129,282   | 1,777,597  | 3,115,522   | -2,534,562   |
| Economic emergency loans .....                        | 266,301    | 4,690    | 270,991    | 453,655     | 641,985    | 1,183,736   | -912,745     |
| Soil and water conservation loans .....               | 18,057     | 292      | 18,349     | 36,417      | 34,681     | 75,928      | -57,579      |
| Indian tribe land acquisition loans .....             | 4,397      | 24       | 4,421      | 12,486      | --         | 13,844      | -9,423       |
| Watershed protection and flood prevention loans ..... | 3,454      | 24       | 3,478      | 10,752      | --         | 12,110      | -8,632       |
| Resource conservation and development loans .....     | 628        | --       | 628        | 1,734       | 385        | 3,679       | -3,051       |
| Other loan programs .....                             | 6,594      | 36       | 6,630      | 17,342      | 3,853      | 32,867      | -26,237      |
| TOTAL .....                                           | 1,570,170  | 40,020   | 1,610,190  | 3,468,312   | 3,853,450  | 7,824,880   | -6,214,690   |

The following schedules present an analysis of outlays by loan program for fiscal years 1989, 1990 and 1991.

Agricultural Credit Insurance Fund

Analysis of Outlays by Loan Program  
Fiscal Year 1989 Actual  
(In Thousands of Dollars)

|                                                             | Operating:<br>Loans | Farm<br>Ownership:<br>Loans | Soil & Resource:<br>Water : Cons. & Dev. :<br>Indiv. : Loans | Flood & Water :<br>Land : Loans | Indian:<br>Land : Loans | Emergency:<br>Disaster : Loans | Economic:<br>Emergency:<br>Loans | Other:<br>Loans | Grants:  | Total       |
|-------------------------------------------------------------|---------------------|-----------------------------|--------------------------------------------------------------|---------------------------------|-------------------------|--------------------------------|----------------------------------|-----------------|----------|-------------|
| <b>Funds for program operations:</b>                        |                     |                             |                                                              |                                 |                         |                                |                                  |                 |          |             |
| Funds expended:                                             |                     |                             |                                                              |                                 |                         |                                |                                  |                 |          |             |
| Loans made by the fund .....                                | \$ 828,938:         | \$ 106,585:                 | \$ 5,452:                                                    | \$ 3,592:                       | \$ 734:                 | \$ 73,174:                     | ---                              | ---             | ---      | \$1,018,475 |
| Purchase of loans and certificates of beneficial ownership: | 65,755:             | 67,629:                     | 1:                                                           | ---                             | ---                     | 65,756:                        | \$ 65,756:                       | \$ 336:         | ---      | 265,233     |
| Collections disbursed to investors .....                    | ---                 | 4,932:                      | 10:                                                          | ---                             | 17:                     | ---                            | ---                              | 1,486:          | ---      | 6,445       |
| Interest expense .....                                      | 906,371:            | 1,210,503:                  | 42,802:                                                      | \$2,115:                        | 12,858:                 | 14,655:                        | 1,331,734:                       | 534,771:        | 19,733:  | 4,075,542   |
| Loss settlement, guaranteed loans .....                     | 37,333:             | 8,616:                      | ---                                                          | ---                             | ---                     | ---                            | 9,957:                           | 561:            | ---      | 56,467      |
| Interest buy-down .....                                     | 5,776:              | 4,920:                      | ---                                                          | ---                             | ---                     | ---                            | ---                              | ---             | ---      | 10,696      |
| Administrative expense .....                                | 60,092:             | 28,811:                     | 1,665:                                                       | 510:                            | 1,007:                  | 497:                           | 29,965:                          | 8,753:          | 2,953:   | 134,253     |
| Grants .....                                                | ---                 | ---                         | ---                                                          | ---                             | ---                     | ---                            | ---                              | ---             | \$1,951: | 1,951       |
| Other .....                                                 | 12,220:             | 29,575:                     | 405:                                                         | ---                             | ---                     | 26,323:                        | 5,017:                           | 29:             | ---      | 73,569      |
| Total funds expended .....                                  | 1,916,485:          | 1,461,571:                  | 50,335:                                                      | 2,625:                          | 17,457:                 | 15,903:                        | 1,526,952:                       | 624,254:        | 25,098:  | 5,642,631   |
| <b>Funds received:</b>                                      |                     |                             |                                                              |                                 |                         |                                |                                  |                 |          |             |
| Repayments on loans .....                                   | 1,017,623:          | 241,216:                    | 11,960:                                                      | 998:                            | 3,162:                  | 1,682:                         | 270,209:                         | 92,913:         | 5,899:   | 1,645,662   |
| Payment of interest on loans ..                             | 214,000:            | 308,727:                    | 11,423:                                                      | 724:                            | 3,470:                  | 4,907:                         | 204,180:                         | 125,881:        | 5,399:   | 878,711     |
| Collections received for investors .....                    | ---                 | 4,694:                      | 13:                                                          | ---                             | ---                     | 18:                            | ---                              | ---             | 1,493:   | 6,218       |
| Insurance premiums and guarantee fees .....                 | 7,363:              | 1,664:                      | ---                                                          | ---                             | ---                     | ---                            | ---                              | ---             | ---      | 9,027       |
| Other .....                                                 | 13,237:             | 35,207:                     | 1,458:                                                       | 22:                             | 132:                    | 151:                           | 47,148:                          | 18,195:         | 145:     | 115,695     |
| Total funds received .....                                  | 1,252,223:          | 591,508:                    | 24,854:                                                      | 1,744:                          | 6,764:                  | 6,758:                         | 521,537:                         | 236,989:        | 12,936:  | 2,655,313   |
| OUTLAYS .....                                               | 664,262:            | 870,063:                    | 25,481:                                                      | 881:                            | 10,693:                 | 9,145:                         | 1,005,415:                       | 387,265:        | 12,162:  | 2,987,318   |

## Agricultural Credit Insurance Fund

## Analysis of Outlays by Loan Program

Fiscal Year 1990 Estimated

(In Thousands of Dollars)

|                                                             | Operating:<br>Loans | Ownership:<br>Loans | Farm<br>Loans  | Soil & Resource:<br>Water : Loans | Cons. & Dev.:<br>Loans | Flood & Land :<br>Loans | Indian :<br>Loans | Emergency :<br>Disaster : Loans | Economic :<br>Emergency : Loans | Other:<br>Loans | Grants:       | Total            |
|-------------------------------------------------------------|---------------------|---------------------|----------------|-----------------------------------|------------------------|-------------------------|-------------------|---------------------------------|---------------------------------|-----------------|---------------|------------------|
| <b>Funds for program operations:</b>                        |                     |                     |                |                                   |                        |                         |                   |                                 |                                 |                 |               |                  |
| Funds expended:                                             |                     |                     |                |                                   |                        |                         |                   |                                 |                                 |                 |               |                  |
| Loans made by the fund .....                                | \$ 939,260:         | \$ 80,499:          | \$ 5,697:      | --:                               | \$15,844:              | \$ 1,228:               | \$ 99,067:        | --:                             | --:                             | --:             | --:           | \$1,141,595      |
| Purchase of loans and certificates of beneficial ownership: | 4,332:              | 4,456:              | --:            | --:                               | --:                    | --:                     | 4,332:            | \$ 4,330:                       | \$ 23:                          | --:             | --:           | 17,473           |
| Collections disbursed to investors .....                    | --:                 | 4,591:              | 10:            | --:                               | --:                    | 16:                     | --:               | --:                             | --:                             | 1,383:          | --:           | 6,000            |
| Interest expense .....                                      | 827,825:            | 1,103,024:          | 38,943:        | \$1,854:                          | 11,868:                | 13,352:                 | 1,208,728:        | 485,494:                        | 17,804:                         | --:             | --:           | 3,708,892        |
| Loss settlement, guaranteed loans .....                     | 48,268:             | 11,140:             | --:            | --:                               | --:                    | --:                     | --:               | 12,870:                         | 722:                            | --:             | --:           | 73,000           |
| Interest buy-down .....                                     | 6,456:              | 5,499:              | --:            | --:                               | --:                    | --:                     | --:               | --:                             | --:                             | --:             | --:           | 11,955           |
| Administrative expense .....                                | 72,579:             | 34,798:             | 2,011:         | 616:                              | 1,216:                 | 600:                    | 36,192:           | 10,572:                         | 3,567:                          | --:             | --:           | 162,151          |
| Grants .....                                                | --:                 | --:                 | --:            | --:                               | --:                    | --:                     | --:               | --:                             | --:                             | --:             | \$3,456:      | 3,456            |
| Other .....                                                 | 11,357:             | 27,487:             | 376:           | --:                               | --:                    | --:                     | 24,465:           | 4,663:                          | 27:                             | --:             | --:           | 68,375           |
| <b>Total funds expended .....</b>                           | <b>1,910,077:</b>   | <b>1,271,494:</b>   | <b>47,037:</b> | <b>2,470:</b>                     | <b>28,928:</b>         | <b>15,196:</b>          | <b>1,372,784:</b> | <b>517,929:</b>                 | <b>23,526:</b>                  | <b>3,456:</b>   | <b>3,456:</b> | <b>5,192,897</b> |
| <b>Funds received:</b>                                      |                     |                     |                |                                   |                        |                         |                   |                                 |                                 |                 |               |                  |
| Repayments on loans .....                                   | 962,230:            | 228,110:            | 11,359:        | 934:                              | 2,956:                 | 1,556:                  | 255,495:          | 87,914:                         | 5,446:                          | --:             | --:           | 1,556,000        |
| Payment of interest on loans ..                             | 206,488:            | 237,818:            | 11,024:        | 678:                              | 3,392:                 | 4,749:                  | 197,075:          | 121,518:                        | 5,258:                          | --:             | --:           | 848,000          |
| Collections received for investors .....                    | --:                 | 3,774:              | 11:            | --:                               | --:                    | 14:                     | --:               | --:                             | 1,201:                          | --:             | --:           | 5,000            |
| Insurance premiums and guarantee fees .....                 | 22,042:             | 4,980:              | --:            | --:                               | --:                    | --:                     | --:               | --:                             | --:                             | --:             | --:           | 27,022           |
| Other .....                                                 | 9,827:              | 26,138:             | 1,082:         | 17:                               | 94:                    | 112:                    | 35,003:           | 13,511:                         | 112:                            | --:             | --:           | 85,896           |
| <b>Total funds received .....</b>                           | <b>1,200,587:</b>   | <b>560,820:</b>     | <b>23,476:</b> | <b>1,629:</b>                     | <b>6,442:</b>          | <b>6,431:</b>           | <b>487,573:</b>   | <b>222,943:</b>                 | <b>12,017:</b>                  | <b>--:</b>      | <b>--:</b>    | <b>2,521,918</b> |
| <b>OUTLAYS .....</b>                                        | <b>709,490:</b>     | <b>710,674:</b>     | <b>23,561:</b> | <b>841:</b>                       | <b>22,486:</b>         | <b>8,765:</b>           | <b>885,211:</b>   | <b>294,986:</b>                 | <b>11,509:</b>                  | <b>3,456:</b>   | <b>3,456:</b> | <b>2,670,979</b> |

Agricultural Credit Insurance Fund  
Analysis of Outlays by Loan Program  
Fiscal Year 1991 Estimated  
(In Thousands of Dollars)

|                                                                  | Operating:<br>Loans | Farm<br>Ownership:<br>Loans | Soil & Resource:<br>Water : Loans | Flood & Dev.<br>: Loans | Indian:<br>Land : Loans | Emergency:<br>Disaster : Loans | Economic<br>Emergency:<br>Loans | Other:<br>Loans | Grants:  | Total      |           |
|------------------------------------------------------------------|---------------------|-----------------------------|-----------------------------------|-------------------------|-------------------------|--------------------------------|---------------------------------|-----------------|----------|------------|-----------|
| Funds for program operations:                                    |                     |                             |                                   |                         |                         |                                |                                 |                 |          |            |           |
| Funds expended:                                                  |                     |                             |                                   |                         |                         |                                |                                 |                 |          |            |           |
| Loans made by the fund .....                                     | \$ 521,625:         | \$ 42,650:                  | \$ 550:                           | --:                     | --:                     | \$ 28,750:                     | --:                             | --:             | --:      | \$ 593,575 |           |
| Purchase of loans and certifi-<br>cates of beneficial ownership: | 3,476:              | 3,575:                      | --:                               | --:                     | --:                     | 3,476:                         | \$ 3,476:                       | \$ 18:          | --:      | 14,021     |           |
| Collections disbursed to<br>investors .....                      | --:                 | 4,591:                      | 10:                               | --:                     | \$ 16:                  | --:                            | --:                             | 1,383:          | --:      | 6,000      |           |
| Interest expense .....                                           | 759,044:            | 1,011,379:                  | 35,708:                           | \$1,700:                | \$10,882:               | 12,243:                        | 1,108,300:                      | 445,156:        | 16,324:  | 3,400,736  |           |
| Loss settlement, guaranteed<br>loans .....                       | 69,426:             | 16,023:                     | --:                               | --:                     | --:                     | --:                            | 18,511:                         | 1,040:          | --:      | 105,000    |           |
| Interest buy-down .....                                          | 5,400:              | 4,600:                      | --:                               | --:                     | --:                     | --:                            | --:                             | --:             | --:      | 10,000     |           |
| Administrative expense .....                                     | 79,009:             | 37,881:                     | 2,189:                            | 671:                    | 1,324:                  | 653:                           | 39,399:                         | 11,509:         | 3,883:   | 176,518    |           |
| Grants .....                                                     | --:                 | --:                         | --:                               | --:                     | --:                     | --:                            | --:                             | --:             | \$2,000: | 2,000      |           |
| Other .....                                                      | 10,680:             | 25,847:                     | 354:                              | --:                     | --:                     | 23,005:                        | 4,385:                          | 26:             | --:      | 64,297     |           |
| Total funds expended .....                                       | 1,448,660:          | 1,146,546:                  | 38,811:                           | 2,371:                  | 12,206:                 | 12,912:                        | 1,202,930:                      | 483,037:        | 22,674:  | 2,000:     | 4,372,147 |
| Funds received:                                                  |                     |                             |                                   |                         |                         |                                |                                 |                 |          |            |           |
| Repayments on loans .....                                        | 931,310:            | 220,780:                    | 10,994:                           | 904:                    | 2,861:                  | 1,506:                         | 247,285:                        | 85,089:         | 5,271:   | --:        | 1,506,000 |
| Payment of interest on loans ..                                  | 214,280:            | 309,056:                    | 11,440:                           | 704:                    | 3,520:                  | 4,928:                         | 204,512:                        | 126,104:        | 5,456:   | --:        | 880,000   |
| Collections received for<br>investors .....                      | --:                 | 3,774:                      | 10:                               | --:                     | --:                     | 14:                            | --:                             | --:             | 1,202:   | --:        | 5,000     |
| Insurance premiums and<br>guarantee fees .....                   | 20,410:             | 4,612:                      | --:                               | --:                     | --:                     | --:                            | --:                             | --:             | --:      | --:        | 25,022    |
| Other .....                                                      | 23,243:             | 61,826:                     | 2,560:                            | 41:                     | 223:                    | 264:                           | 82,794:                         | 31,959:         | 265:     | --:        | 203,175   |
| Total funds received .....                                       | 1,189,243:          | 600,048:                    | 25,004:                           | 1,649:                  | 6,604:                  | 6,712:                         | 534,591:                        | 243,152:        | 12,194:  | --:        | 2,619,197 |
| OUTLAYS .....                                                    | 259,417:            | 546,498:                    | 13,807:                           | 722:                    | 5,602:                  | 6,200:                         | 668,339:                        | 239,885:        | 10,480:  | 2,000:     | 1,752,950 |



Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Insured Farm Ownership Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 1,293,400      | 1,145,000      | 549,600        |
| Alaska.....                          | --             | 210,000        | 100,800        |
| Arizona.....                         | --             | 508,000        | 243,840        |
| Arkansas.....                        | 2,065,900      | 1,636,000      | 785,280        |
| California.....                      | 3,606,880      | 3,222,000      | 1,546,560      |
| Colorado.....                        | 1,125,200      | 1,200,000      | 576,000        |
| Connecticut.....                     | 391,800        | 274,000        | 131,520        |
| Delaware.....                        | 342,660        | 280,000        | 134,400        |
| Florida.....                         | 663,360        | 1,192,000      | 572,160        |
| Georgia.....                         | 1,900,790      | 1,302,000      | 624,960        |
| Hawaii.....                          | 1,009,000      | 403,000        | 193,440        |
| Idaho.....                           | 1,244,780      | 1,021,000      | 490,080        |
| Illinois.....                        | 4,925,000      | 4,297,000      | 2,062,560      |
| Indiana.....                         | 2,891,640      | 2,610,000      | 1,252,800      |
| Iowa.....                            | 6,846,140      | 5,340,000      | 2,563,200      |
| Kansas.....                          | 3,846,700      | 2,717,000      | 1,304,160      |
| Kentucky.....                        | 3,043,850      | 2,435,000      | 1,168,800      |
| Louisiana.....                       | 1,449,360      | 1,125,000      | 540,000        |
| Maine.....                           | 574,830        | 444,000        | 213,120        |
| Maryland.....                        | 284,250        | 634,000        | 304,320        |
| Massachusetts.....                   | 373,240        | 380,000        | 182,400        |
| Michigan.....                        | 1,663,230      | 1,546,000      | 742,080        |
| Minnesota.....                       | 4,365,390      | 3,393,000      | 1,628,640      |
| Mississippi.....                     | 1,616,010      | 1,122,000      | 538,560        |
| Missouri.....                        | 3,926,590      | 3,127,000      | 1,500,960      |
| Montana.....                         | 1,513,500      | 1,386,000      | 665,280        |
| Nebraska.....                        | 3,528,780      | 3,111,000      | 1,493,280      |
| Nevada.....                          | 199,900        | 300,000        | 144,000        |
| New Hampshire.....                   | 339,100        | 262,000        | 125,760        |
| New Jersey.....                      | 356,250        | 446,000        | 214,080        |
| New Mexico.....                      | 1,139,760      | 597,000        | 286,560        |
| New York.....                        | 1,718,260      | 1,351,000      | 648,480        |
| North Carolina.....                  | 2,056,020      | 1,781,000      | 854,880        |
| North Dakota.....                    | 2,372,630      | 1,800,000      | 864,000        |
| Ohio.....                            | 2,924,490      | 2,646,000      | 1,270,080      |
| Oklahoma.....                        | 2,975,970      | 2,044,000      | 981,120        |
| Oregon.....                          | 1,054,000      | 969,000        | 465,120        |
| Pennsylvania.....                    | 3,269,500      | 1,861,000      | 893,280        |
| Rhode Island.....                    | 301,900        | 186,000        | 89,280         |
| South Carolina.....                  | 1,576,350      | 845,000        | 405,600        |
| South Dakota.....                    | 1,894,310      | 1,746,000      | 838,080        |
| Tennessee.....                       | 2,458,440      | 1,940,000      | 931,200        |
| Texas.....                           | 5,637,580      | 5,582,000      | 2,679,360      |
| Utah.....                            | 795,000        | 685,000        | 328,800        |
| Vermont.....                         | 683,500        | 465,000        | 223,200        |
| Virginia.....                        | 1,053,740      | 1,356,000      | 650,880        |
| Washington.....                      | 1,344,970      | 1,202,000      | 576,960        |
| West Virginia.....                   | 638,800        | 728,000        | 349,440        |
| Wisconsin.....                       | 3,269,680      | 2,823,000      | 1,455,040      |
| Wyoming.....                         | 359,750        | 855,000        | 410,400        |
| Puerto Rico.....                     | 1,961,400      | 1,050,000      | 504,000        |
| Trust Territories..                  | --             | 210,000        | 100,800        |
| Virgin Islands.....                  | 59,100         | 210,000        | 100,800        |
| Total, Available or<br>Estimate..... | 94,932,680     | 80,000,000     | 38,500,000     |

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Guaranteed Farm Ownership Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 6,877,460      | 10,626,263     | 2,231,515      |
| Alaska.....                          | —              | 424,575        | 89,161         |
| Arizona.....                         | —              | 4,719,576      | 991,111        |
| Arkansas.....                        | 11,927,800     | 15,198,087     | 3,191,598      |
| California.....                      | 2,889,030      | 28,062,709     | 5,893,169      |
| Colorado.....                        | 2,952,500      | 11,144,245     | 2,340,291      |
| Connecticut.....                     | —              | 2,545,752      | 534,608        |
| Delaware.....                        | 1,477,600      | 2,618,779      | 549,944        |
| Florida.....                         | 1,134,870      | 11,069,519     | 2,324,599      |
| Georgia.....                         | 5,034,660      | 12,090,198     | 2,538,942      |
| Hawaii.....                          | —              | 3,746,450      | 786,755        |
| Idaho.....                           | 4,230,190      | 9,478,212      | 1,990,425      |
| Illinois.....                        | 21,186,920     | 36,233,628     | 7,609,062      |
| Indiana.....                         | 4,498,280      | 22,701,344     | 4,767,282      |
| Iowa.....                            | 27,310,950     | 47,442,240     | 9,962,870      |
| Kansas.....                          | 9,090,520      | 23,711,833     | 4,979,485      |
| Kentucky.....                        | 5,463,130      | 22,619,658     | 4,750,128      |
| Louisiana.....                       | 10,966,800     | 10,444,545     | 2,193,354      |
| Maine.....                           | —              | 4,130,266      | 867,356        |
| Maryland.....                        | 1,491,100      | 5,889,704      | 1,236,838      |
| Massachusetts.....                   | 280,000        | 3,062,035      | 643,027        |
| Michigan.....                        | 15,903,290     | 14,359,127     | 3,015,417      |
| Minnesota.....                       | 17,021,130     | 30,746,452     | 6,456,755      |
| Mississippi.....                     | 12,440,150     | 10,424,165     | 2,189,075      |
| Missouri.....                        | 6,311,790      | 29,047,723     | 6,100,022      |
| Montana.....                         | 4,355,070      | 12,871,416     | 2,702,997      |
| Nebraska.....                        | 12,524,090     | 28,894,876     | 6,067,924      |
| Nevada.....                          | —              | 2,758,039      | 579,188        |
| New Hampshire.....                   | 528,000        | 2,457,440      | 516,062        |
| New Jersey.....                      | 680,300        | 4,114,981      | 864,146        |
| New Mexico.....                      | 1,957,570      | 5,548,346      | 1,165,153      |
| New York.....                        | 3,028,930      | 12,555,532     | 2,636,662      |
| North Carolina.....                  | 9,400,560      | 16,538,045     | 3,472,989      |
| North Dakota.....                    | 13,644,490     | 16,716,367     | 3,510,437      |
| Ohio.....                            | 4,403,639      | 24,576,099     | 5,160,981      |
| Oklahoma.....                        | 11,598,850     | 18,992,089     | 3,988,339      |
| Oregon.....                          | 2,506,460      | 8,999,292      | 1,889,851      |
| Pennsylvania.....                    | 4,817,650      | 17,278,504     | 3,628,486      |
| Rhode Island.....                    | —              | 1,727,171      | 362,706        |
| South Carolina.....                  | 3,409,570      | 7,849,543      | 1,648,404      |
| South Dakota.....                    | 2,627,870      | 16,210,778     | 3,404,263      |
| Tennessee.....                       | 3,299,070      | 18,012,170     | 3,782,556      |
| Texas.....                           | 9,215,760      | 50,203,033     | 9,994,047      |
| Utah.....                            | 2,013,640      | 6,363,530      | 1,336,341      |
| Vermont.....                         | 2,383,000      | 3,855,141      | 809,580        |
| Virginia.....                        | 2,482,360      | 12,603,084     | 2,646,648      |
| Washington.....                      | 3,080,230      | 11,169,719     | 2,345,641      |
| West Virginia.....                   | 1,284,000      | 6,755,837      | 1,418,726      |
| Wisconsin.....                       | 33,502,040     | 27,507,279     | 5,276,529      |
| Wyoming.....                         | 2,028,500      | 7,937,854      | 1,666,949      |
| Puerto Rico.....                     | 1,899,500      | 3,396,600      | 713,286        |
| Trust Territories..                  | —              | 424,575        | 89,161         |
| Virgin Islands.....                  | —              | 424,575        | 89,161         |
| Total, Available or<br>Estimate..... | 305,159,319    | 719,279,000 1/ | 150,000,000    |

1/ Includes \$250 million transferred from guaranteed farm operating authority for purchase of FCS inventory property.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Insured Farm Operating Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | \$12,903,850   | \$13,856,357   | \$7,482,433    |
| Alaska.....                          | --             | 89,575         | 48,371         |
| Arizona.....                         | 1,181,330      | 5,454,821      | 2,945,603      |
| Arkansas.....                        | 24,738,380     | 19,396,634     | 10,474,182     |
| California.....                      | 22,670,820     | 36,785,549     | 19,864,196     |
| Colorado.....                        | 7,486,250      | 14,177,592     | 7,655,900      |
| Connecticut.....                     | 527,040        | 3,232,944      | 1,745,790      |
| Delaware.....                        | 491,880        | 3,317,371      | 1,791,380      |
| Florida.....                         | 4,579,670      | 13,089,305     | 7,068,225      |
| Georgia.....                         | 22,408,640     | 15,799,212     | 8,531,574      |
| Hawaii.....                          | 992,230        | 4,256,366      | 2,298,438      |
| Idaho.....                           | 18,235,010     | 12,393,295     | 6,692,379      |
| Illinois.....                        | 22,839,480     | 49,182,962     | 26,558,799     |
| Indiana.....                         | 19,825,000     | 31,310,136     | 16,907,473     |
| Iowa.....                            | 40,222,480     | 63,198,907     | 34,127,410     |
| Kansas.....                          | 22,412,530     | 32,819,530     | 17,722,546     |
| Kentucky.....                        | 15,703,980     | 29,100,614     | 15,714,332     |
| Louisiana.....                       | 58,889,200     | 13,457,902     | 7,267,267      |
| Maine.....                           | 6,447,320      | 5,409,518      | 2,921,140      |
| Maryland.....                        | 1,594,000      | 7,437,830      | 4,016,428      |
| Massachusetts.....                   | 1,865,730      | 3,938,220      | 2,126,639      |
| Michigan.....                        | 18,428,950     | 19,485,180     | 10,521,997     |
| Minnesota.....                       | 45,423,200     | 42,385,543     | 22,888,193     |
| Mississippi.....                     | 59,294,830     | 13,622,638     | 7,356,225      |
| Missouri.....                        | 19,530,120     | 38,198,160     | 20,627,006     |
| Montana.....                         | 8,227,730      | 16,751,592     | 9,045,860      |
| Nebraska.....                        | 26,452,950     | 37,360,066     | 20,174,436     |
| Nevada.....                          | 1,414,790      | 3,567,564      | 1,926,485      |
| New Hampshire.....                   | 981,910        | 3,152,635      | 1,702,423      |
| New Jersey.....                      | 810,500        | 4,980,175      | 2,689,295      |
| New Mexico.....                      | 5,340,920      | 6,922,001      | 3,737,881      |
| New York.....                        | 14,092,300     | 17,333,316     | 9,359,991      |
| North Carolina.....                  | 17,993,120     | 21,117,096     | 11,403,232     |
| North Dakota.....                    | 50,598,750     | 22,066,387     | 11,915,849     |
| Ohio.....                            | 24,562,400     | 31,834,202     | 17,190,469     |
| Oklahoma.....                        | 42,988,010     | 24,638,328     | 13,304,697     |
| Oregon.....                          | 11,364,890     | 11,859,952     | 6,404,374      |
| Pennsylvania.....                    | 18,372,710     | 22,313,502     | 12,049,291     |
| Rhode Island.....                    | 151,960        | 2,188,930      | 1,182,022      |
| South Carolina.....                  | 12,162,730     | 10,273,349     | 5,547,608      |
| South Dakota.....                    | 8,272,010      | 21,846,053     | 11,796,869     |
| Tennessee.....                       | 27,023,810     | 23,534,597     | 12,708,682     |
| Texas.....                           | 79,288,490     | 62,529,667     | 30,216,020     |
| Utah.....                            | 3,288,270      | 8,073,094      | 4,359,471      |
| Vermont.....                         | 4,079,180      | 5,048,425      | 2,726,150      |
| Virginia.....                        | 7,454,920      | 16,435,505     | 8,875,173      |
| Washington.....                      | 17,464,750     | 14,370,127     | 7,759,869      |
| West Virginia.....                   | 1,470,930      | 8,840,146      | 4,773,679      |
| Wisconsin.....                       | 16,995,310     | 32,128,185     | 17,349,220     |
| Wyoming.....                         | 2,800,500      | 10,185,833     | 5,500,350      |
| Puerto Rico.....                     | 3,635,370      | 1,573,962      | 849,939        |
| Trust Territories..                  | 10,000         | 89,575         | 48,371         |
| Virgin Islands.....                  | 26,500         | 89,575         | 48,371         |
| Total, Available or<br>Estimate..... | 856,017,630    | 932,500,000 1/ | 500,000,000    |

1/ Includes prior year carryover of \$32.5 million authorized by P.L. 101-45.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Guaranteed Farm Operating Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount   | 1991<br>Amount |
|--------------------------------------|----------------|------------------|----------------|
| Alabama.....                         | 8,351,690      | 34,259,400       | 38,370,528     |
| Alaska.....                          | --             | 220,500          | 246,960        |
| Arizona.....                         | 1,388,260      | 13,484,300       | 15,102,416     |
| Arkansas.....                        | 34,540,440     | 47,958,300       | 53,713,296     |
| California.....                      | 31,483,470     | 91,131,300       | 102,067,056    |
| Colorado.....                        | 6,382,400      | 35,054,100       | 39,260,592     |
| Connecticut.....                     | 230,000        | 7,992,000        | 8,951,040      |
| Delaware.....                        | 75,000         | 8,202,600        | 9,186,912      |
| Florida.....                         | 4,163,350      | 32,363,100       | 36,246,672     |
| Georgia.....                         | 26,965,710     | 39,062,700       | 43,750,224     |
| Hawaii.....                          | --             | 10,522,800       | 11,785,536     |
| Idaho.....                           | 20,477,060     | 30,643,200       | 34,320,384     |
| Illinois.....                        | 53,636,010     | 121,605,300      | 136,197,936    |
| Indiana.....                         | 13,490,300     | 77,415,300       | 86,705,136     |
| Iowa.....                            | 50,135,300     | 156,261,600      | 175,012,992    |
| Kansas.....                          | 30,455,800     | 81,146,700       | 90,884,304     |
| Kentucky.....                        | 7,614,160      | 71,952,300       | 80,586,576     |
| Louisiana.....                       | 90,234,110     | 33,274,800       | 37,267,776     |
| Maine.....                           | 633,120        | 13,374,000       | 14,978,880     |
| Maryland.....                        | 2,400,630      | 18,390,600       | 20,597,472     |
| Massachusetts.....                   | 426,570        | 9,738,900        | 10,907,568     |
| Michigan.....                        | 34,705,380     | 81,798,800       | 91,614,656     |
| Minnesota.....                       | 54,409,280     | 104,799,600      | 117,375,552    |
| Mississippi.....                     | 34,346,820     | 33,683,400       | 37,725,408     |
| Missouri.....                        | 18,741,580     | 94,446,900       | 105,780,528    |
| Montana.....                         | 12,546,780     | 41,420,700       | 46,391,184     |
| Nebraska.....                        | 47,075,750     | 92,374,200       | 103,459,104    |
| Nevada.....                          | 12,000         | 8,821,800        | 9,880,416      |
| New Hampshire.....                   | 30,000         | 7,795,800        | 8,731,296      |
| New Jersey.....                      | 408,700        | 12,314,700       | 13,792,464     |
| New Mexico.....                      | 2,246,800      | 17,114,400       | 19,168,128     |
| New York.....                        | 6,793,080      | 42,857,100       | 47,999,952     |
| North Carolina.....                  | 14,483,470     | 52,214,400       | 58,480,128     |
| North Dakota.....                    | 26,776,670     | 54,559,800       | 61,106,976     |
| Ohio.....                            | 13,769,810     | 78,711,300       | 88,156,656     |
| Oklahoma.....                        | 30,268,910     | 60,919,200       | 68,229,504     |
| Oregon.....                          | 7,915,550      | 29,322,900       | 32,841,648     |
| Pennsylvania.....                    | 3,407,960      | 55,172,700       | 61,793,424     |
| Rhode Island.....                    | 20,000         | 5,412,600        | 6,062,112      |
| South Carolina.....                  | 10,454,060     | 25,400,700       | 28,448,784     |
| South Dakota.....                    | 13,724,860     | 54,104,400       | 60,596,928     |
| Tennessee.....                       | 11,374,030     | 58,189,500       | 65,172,240     |
| Texas.....                           | 76,136,180     | 120,105,100      | 134,517,712    |
| Utah.....                            | 2,278,250      | 19,960,200       | 22,355,424     |
| Vermont.....                         | 3,418,590      | 12,507,300       | 14,008,176     |
| Virginia.....                        | 2,347,470      | 40,636,300       | 45,512,656     |
| Washington.....                      | 16,714,800     | 35,531,100       | 39,794,832     |
| West Virginia.....                   | 1,219,730      | 21,856,500       | 24,479,280     |
| Wisconsin.....                       | 42,194,500     | 90,406,800       | 107,353,000    |
| Wyoming.....                         | 6,641,308      | 25,184,700       | 28,206,280     |
| Puerto Rico.....                     | 1,628,500      | 3,867,300        | 4,331,376      |
| Trust Territories..                  | --             | 220,500          | 246,960        |
| Virgin Islands.....                  | --             | 220,500          | 246,960        |
| Total, Available or<br>Estimate..... | 879,174,198    | 2,315,985,000 1/ | 2,600,000,000  |

1/ Excludes \$250 million transferred to guaranteed farm ownership for purchase of FCS inventory property.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Insured Soil and Water Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 52,000         | 45,240         | --             |
| Alaska.....                          | --             | 30,000         | --             |
| Arizona.....                         | --             | 30,000         | --             |
| Arkansas.....                        | 389,320        | 358,700        | --             |
| California.....                      | 307,600        | 296,600        | --             |
| Colorado.....                        | --             | 30,000         | --             |
| Connecticut.....                     | --             | 30,000         | --             |
| Delaware.....                        | --             | 30,000         | --             |
| Florida.....                         | 67,000         | 58,300         | --             |
| Georgia.....                         | 166,600        | 144,900        | --             |
| Hawaii.....                          | --             | 30,000         | --             |
| Idaho.....                           | 264,810        | 230,380        | --             |
| Illinois.....                        | 9,200          | 30,000         | --             |
| Indiana.....                         | 25,000         | 30,000         | --             |
| Iowa.....                            | 118,200        | 102,800        | --             |
| Kansas.....                          | 279,250        | 242,950        | --             |
| Kentucky.....                        | 106,130        | 92,300         | --             |
| Louisiana.....                       | 97,800         | 85,100         | --             |
| Maine.....                           | 8,440          | 30,000         | --             |
| Maryland.....                        | --             | 30,000         | --             |
| Massachusetts.....                   | 76,000         | 66,120         | --             |
| Michigan.....                        | 72,000         | 62,640         | --             |
| Minnesota.....                       | 112,530        | 97,900         | --             |
| Mississippi.....                     | 25,170         | 30,000         | --             |
| Missouri.....                        | 118,330        | 122,950        | --             |
| Montana.....                         | 165,590        | 164,060        | --             |
| Nebraska.....                        | 256,230        | 242,920        | --             |
| Nevada.....                          | 102,500        | 89,170         | --             |
| New Hampshire.....                   | 50,000         | 43,500         | --             |
| New Jersey.....                      | 33,840         | 30,000         | --             |
| New Mexico.....                      | 17,000         | 30,000         | --             |
| New York.....                        | 105,650        | 91,900         | --             |
| North Carolina.....                  | 27,390         | 30,000         | --             |
| North Dakota.....                    | 37,000         | 32,200         | --             |
| Ohio.....                            | 18,000         | 30,000         | --             |
| Oklahoma.....                        | 221,650        | 202,850        | --             |
| Oregon.....                          | 172,320        | 169,900        | --             |
| Pennsylvania.....                    | 290,690        | 273,200        | --             |
| Rhode Island.....                    | --             | 30,000         | --             |
| South Carolina.....                  | --             | 30,000         | --             |
| South Dakota.....                    | --             | 30,000         | --             |
| Tennessee.....                       | 103,500        | 90,000         | --             |
| Texas.....                           | 854,300        | 753,240        | --             |
| Utah.....                            | 83,000         | 72,210         | --             |
| Vermont.....                         | 199,260        | 183,300        | --             |
| Virginia.....                        | --             | 30,000         | --             |
| Washington.....                      | 219,400        | 190,870        | --             |
| West Virginia.....                   | 2,000          | 30,000         | --             |
| Wisconsin.....                       | 101,250        | 88,100         | --             |
| Wyoming.....                         | 133,000        | 115,700        | --             |
| Puerto Rico.....                     | 10,000         | 30,000         | --             |
| Trust Territories..                  | --             | 30,000         | --             |
| Virgin Islands.....                  | --             | 30,000         | --             |
| Total, Available or<br>Estimate..... | 5,498,950      | 5,500,000      | --             |



Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Guaranteed Soil and Water Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | --             | 25,000         | --             |
| Alaska.....                          | --             | 25,000         | --             |
| Arizona.....                         | --             | 25,000         | --             |
| Arkansas.....                        | 59,200         | 48,680         | --             |
| California.....                      | --             | 25,000         | --             |
| Colorado.....                        | --             | 25,000         | --             |
| Connecticut.....                     | --             | 25,000         | --             |
| Delaware.....                        | --             | 25,000         | --             |
| Florida.....                         | --             | 25,000         | --             |
| Georgia.....                         | 35,000         | 39,000         | --             |
| Hawaii.....                          | --             | 25,000         | --             |
| Idaho.....                           | --             | 25,000         | --             |
| Illinois.....                        | --             | 25,000         | --             |
| Indiana.....                         | --             | 25,000         | --             |
| Iowa.....                            | --             | 25,000         | --             |
| Kansas.....                          | 176,600        | 85,320         | --             |
| Kentucky.....                        | --             | 25,000         | --             |
| Louisiana.....                       | --             | 25,000         | --             |
| Maine.....                           | --             | 25,000         | --             |
| Maryland.....                        | --             | 25,000         | --             |
| Massachusetts.....                   | --             | 25,000         | --             |
| Michigan.....                        | --             | 25,000         | --             |
| Minnesota.....                       | --             | 25,000         | --             |
| Mississippi.....                     | --             | 25,000         | --             |
| Missouri.....                        | --             | 25,000         | --             |
| Montana.....                         | --             | 25,000         | --             |
| Nebraska.....                        | --             | 25,000         | --             |
| Nevada.....                          | --             | 25,000         | --             |
| New Hampshire.....                   | --             | 25,000         | --             |
| New Jersey.....                      | --             | 25,000         | --             |
| New Mexico.....                      | 146,000        | 73,000         | --             |
| New York.....                        | --             | 25,000         | --             |
| North Carolina.....                  | --             | 25,000         | --             |
| North Dakota.....                    | --             | 25,000         | --             |
| Ohio.....                            | --             | 25,000         | --             |
| Oklahoma.....                        | --             | 25,000         | --             |
| Oregon.....                          | --             | 25,000         | --             |
| Pennsylvania.....                    | --             | 25,000         | --             |
| Rhode Island.....                    | --             | 25,000         | --             |
| South Carolina.....                  | --             | 25,000         | --             |
| South Dakota.....                    | --             | 25,000         | --             |
| Tennessee.....                       | --             | 25,000         | --             |
| Texas.....                           | --             | 25,000         | --             |
| Utah.....                            | --             | 25,000         | --             |
| Vermont.....                         | --             | 25,000         | --             |
| Virginia.....                        | --             | 25,000         | --             |
| Washington.....                      | --             | 25,000         | --             |
| West Virginia.....                   | --             | 25,000         | --             |
| Wisconsin.....                       | 23,130         | 34,000         | --             |
| Wyoming.....                         | --             | 25,000         | --             |
| Puerto Rico.....                     | --             | 25,000         | --             |
| Trust Territories..                  | --             | 25,000         | --             |
| Virgin Islands.....                  | --             | 25,000         | --             |
| Total, Available or<br>Estimate..... | 439,930        | 1,480,000      | --             |

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Indian Land Acquisition Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Arizona.....                         | --             | 75,000         | --             |
| Connecticut.....                     | --             | 100,000        | --             |
| Idaho.....                           | 120,000        | 100,000        | --             |
| Kansas.....                          | --             | 50,000         | --             |
| Montana.....                         | --             | 75,000         | --             |
| Nebraska.....                        | --             | 50,000         | --             |
| North Dakota.....                    | --             | 100,000        | --             |
| Oklahoma.....                        | --             | 50,000         | --             |
| Oregon.....                          | --             | 75,000         | --             |
| South Dakota.....                    | --             | 100,000        | --             |
| Washington.....                      | --             | 100,000        | --             |
| Wisconsin.....                       | --             | 50,000         | --             |
| Wyoming.....                         | --             | 75,000         | --             |
| Total, Available or<br>Estimate..... | 120,000        | 1,000,000      | --             |

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

| Emergency Loan Program               |                |                |                |
|--------------------------------------|----------------|----------------|----------------|
|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
| Alabama.....                         | \$146,060      | --             | --             |
| Alaska.....                          | --             | --             | --             |
| Arizona.....                         | 199,600        | --             | --             |
| Arkansas.....                        | 2,284,010      | --             | --             |
| California.....                      | 85,000         | --             | --             |
| Colorado.....                        | --             | --             | --             |
| Connecticut.....                     | --             | --             | --             |
| Delaware.....                        | 311,610        | --             | --             |
| Florida.....                         | 619,100        | --             | --             |
| Georgia.....                         | 1,394,090      | --             | --             |
| Hawaii.....                          | --             | --             | --             |
| Idaho.....                           | 1,051,880      | --             | --             |
| Illinois.....                        | 16,993,410     | --             | --             |
| Indiana.....                         | 1,513,520      | --             | --             |
| Iowa.....                            | 4,175,460      | --             | --             |
| Kansas.....                          | --             | --             | --             |
| Kentucky.....                        | 255,140        | --             | --             |
| Louisiana.....                       | 932,080        | --             | --             |
| Maine.....                           | --             | --             | --             |
| Maryland.....                        | 344,590        | --             | --             |
| Massachusetts.....                   | --             | --             | --             |
| Michigan.....                        | 5,875,640      | --             | --             |
| Minnesota.....                       | 3,326,580      | --             | --             |
| Mississippi.....                     | 1,349,810      | --             | --             |
| Missouri.....                        | 353,870        | --             | --             |
| Montana.....                         | 1,159,900      | --             | --             |
| Nebraska.....                        | 167,740        | --             | --             |
| Nevada.....                          | --             | --             | --             |
| New Hampshire.....                   | 60,000         | --             | --             |
| New Jersey.....                      | 2,079,450      | --             | --             |
| New Mexico.....                      | --             | --             | --             |
| New York.....                        | 3,534,040      | --             | --             |
| North Carolina.....                  | 205,860        | --             | --             |
| North Dakota.....                    | 4,050,160      | --             | --             |
| Ohio.....                            | 1,817,980      | --             | --             |
| Oklahoma.....                        | 4,370,690      | --             | --             |
| Oregon.....                          | 166,960        | --             | --             |
| Pennsylvania.....                    | 4,460,480      | --             | --             |
| Rhode Island.....                    | --             | --             | --             |
| South Carolina.....                  | --             | --             | --             |
| South Dakota.....                    | 598,970        | --             | --             |
| Tennessee.....                       | 579,730        | --             | --             |
| Texas.....                           | 2,440,540      | --             | --             |
| Utah.....                            | 11,300         | --             | --             |
| Vermont.....                         | --             | --             | --             |
| Virginia.....                        | 111,000        | --             | --             |
| Washington.....                      | --             | --             | --             |
| West Virginia.....                   | 48,860         | --             | --             |
| Wisconsin.....                       | 6,142,860      | --             | --             |
| Wyoming.....                         | 237,150        | --             | --             |
| Puerto Rico.....                     | --             | --             | --             |
| Trust Territories..                  | 37,500         | --             | --             |
| Virgin Islands.....                  | --             | --             | --             |
| Total, Available or<br>Estimate..... | 73,492,620     | 100,000,000 1/ | 25,000,000 1/  |

1/ Cannot be distributed by geographic area in advance.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Insured Watershed and Flood Prevention Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | --             | --             | --             |
| Alaska.....                          | --             | --             | --             |
| Arizona.....                         | --             | --             | --             |
| Arkansas.....                        | --             | --             | --             |
| California.....                      | --             | --             | --             |
| Colorado.....                        | --             | --             | --             |
| Connecticut.....                     | --             | --             | --             |
| Delaware.....                        | --             | --             | --             |
| Florida.....                         | --             | --             | --             |
| Georgia.....                         | --             | --             | --             |
| Hawaii.....                          | --             | --             | --             |
| Idaho.....                           | --             | --             | --             |
| Illinois.....                        | --             | --             | --             |
| Indiana.....                         | --             | --             | --             |
| Iowa.....                            | --             | --             | --             |
| Kansas.....                          | --             | --             | --             |
| Kentucky.....                        | --             | --             | --             |
| Louisiana.....                       | --             | --             | --             |
| Maine.....                           | --             | --             | --             |
| Maryland.....                        | --             | --             | --             |
| Massachusetts.....                   | --             | --             | --             |
| Michigan.....                        | --             | --             | --             |
| Minnesota.....                       | --             | --             | --             |
| Mississippi.....                     | --             | --             | --             |
| Missouri.....                        | --             | --             | --             |
| Montana.....                         | --             | --             | --             |
| Nebraska.....                        | --             | --             | --             |
| Nevada.....                          | --             | --             | --             |
| New Hampshire.....                   | --             | --             | --             |
| New Jersey.....                      | --             | --             | --             |
| New Mexico.....                      | --             | --             | --             |
| New York.....                        | --             | --             | --             |
| North Carolina.....                  | --             | --             | --             |
| North Dakota.....                    | --             | --             | --             |
| Ohio.....                            | --             | --             | --             |
| Oklahoma.....                        | --             | --             | --             |
| Oregon.....                          | --             | --             | --             |
| Pennsylvania.....                    | --             | --             | --             |
| Rhode Island.....                    | --             | --             | --             |
| South Carolina.....                  | --             | --             | --             |
| South Dakota.....                    | --             | --             | --             |
| Tennessee.....                       | --             | --             | --             |
| Texas.....                           | --             | --             | --             |
| Utah.....                            | --             | --             | --             |
| Vermont.....                         | --             | --             | --             |
| Virginia.....                        | --             | --             | --             |
| Washington.....                      | --             | --             | --             |
| West Virginia.....                   | --             | --             | --             |
| Wisconsin.....                       | --             | --             | --             |
| Wyoming.....                         | --             | --             | --             |
| Puerto Rico.....                     | --             | --             | --             |
| Trust Territories..                  | --             | --             | --             |
| Virgin Islands.....                  | --             | --             | --             |
| Total, Available or<br>Estimate..... | --             | 4,000,000 1/   | --             |

1/ Cannot be distributed by geographic area in advance.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Resource Conservation and Development Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount        | 1991<br>Amount |
|--------------------------------------|----------------|-----------------------|----------------|
| Alabama.....                         | --             | --                    | --             |
| Alaska.....                          | --             | --                    | --             |
| Arizona.....                         | --             | --                    | --             |
| Arkansas.....                        | --             | --                    | --             |
| California.....                      | --             | --                    | --             |
| Colorado.....                        | --             | --                    | --             |
| Connecticut.....                     | --             | --                    | --             |
| Delaware.....                        | --             | --                    | --             |
| Florida.....                         | --             | --                    | --             |
| Georgia.....                         | --             | --                    | --             |
| Hawaii.....                          | --             | --                    | --             |
| Idaho.....                           | --             | --                    | --             |
| Illinois.....                        | --             | --                    | --             |
| Indiana.....                         | --             | --                    | --             |
| Iowa.....                            | --             | --                    | --             |
| Kansas.....                          | --             | --                    | --             |
| Kentucky.....                        | --             | --                    | --             |
| Louisiana.....                       | --             | --                    | --             |
| Maine.....                           | --             | --                    | --             |
| Maryland.....                        | --             | --                    | --             |
| Massachusetts.....                   | --             | --                    | --             |
| Michigan.....                        | --             | --                    | --             |
| Minnesota.....                       | --             | --                    | --             |
| Mississippi.....                     | --             | --                    | --             |
| Missouri.....                        | --             | --                    | --             |
| Montana.....                         | --             | --                    | --             |
| Nebraska.....                        | --             | --                    | --             |
| Nevada.....                          | --             | --                    | --             |
| New Hampshire.....                   | --             | --                    | --             |
| New Jersey.....                      | --             | --                    | --             |
| New Mexico.....                      | --             | --                    | --             |
| New York.....                        | --             | --                    | --             |
| North Carolina.....                  | --             | --                    | --             |
| North Dakota.....                    | --             | --                    | --             |
| Ohio.....                            | --             | --                    | --             |
| Oklahoma.....                        | --             | --                    | --             |
| Oregon.....                          | --             | --                    | --             |
| Pennsylvania.....                    | --             | --                    | --             |
| Rhode Island.....                    | --             | --                    | --             |
| South Carolina.....                  | --             | --                    | --             |
| South Dakota.....                    | --             | --                    | --             |
| Tennessee.....                       | --             | --                    | --             |
| Texas.....                           | --             | --                    | --             |
| Utah.....                            | --             | --                    | --             |
| Vermont.....                         | --             | --                    | --             |
| Virginia.....                        | --             | --                    | --             |
| Washington.....                      | --             | --                    | --             |
| West Virginia.....                   | --             | --                    | --             |
| Wisconsin.....                       | --             | --                    | --             |
| Wyoming.....                         | --             | --                    | --             |
| Puerto Rico.....                     | --             | --                    | --             |
| Trust Territories..                  | --             | --                    | --             |
| Virgin Islands.....                  | --             | --                    | --             |
| Total, Available or<br>Estimate..... | --             | 600,000 <sup>1/</sup> | --             |

1/ Cannot be distributed by geographic area in advance.



Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Agricultural Credit Insurance Fund

Interest Rate Buydown Program

|                                      | 1989<br>Amount           | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|--------------------------|----------------|----------------|
| Alabama.....                         | —                        | 100,000        | 100,000        |
| Alaska.....                          | —                        | 100,000        | 100,000        |
| Arizona.....                         | —                        | 100,000        | 100,000        |
| Arkansas.....                        | 33,780                   | 109,785        | 109,785        |
| California.....                      | 37,780                   | 122,785        | 122,785        |
| Colorado.....                        | 124,754                  | 405,451        | 405,451        |
| Connecticut.....                     | —                        | 100,000        | 100,000        |
| Delaware.....                        | —                        | 100,000        | 100,000        |
| Florida.....                         | —                        | 100,000        | 100,000        |
| Georgia.....                         | 35,884                   | 116,623        | 116,623        |
| Hawaii.....                          | —                        | 100,000        | 100,000        |
| Idaho.....                           | 94,559                   | 307,317        | 307,317        |
| Illinois.....                        | 1,417,986                | 4,108,455      | 4,108,455      |
| Indiana.....                         | 116,426                  | 378,385        | 378,385        |
| Iowa.....                            | 1,631,703                | 5,303,035      | 5,303,035      |
| Kansas.....                          | 507,863                  | 1,650,555      | 1,650,555      |
| Kentucky.....                        | 48,677                   | 158,200        | 158,200        |
| Louisiana.....                       | —                        | 100,000        | 100,000        |
| Maine.....                           | —                        | 100,000        | 100,000        |
| Maryland.....                        | —                        | 100,000        | 100,000        |
| Massachusetts.....                   | —                        | 100,000        | 100,000        |
| Michigan.....                        | 1,303,768                | 4,037,346      | 4,037,346      |
| Minnesota.....                       | 1,450,885                | 4,215,376      | 4,215,376      |
| Mississippi.....                     | 18,503                   | 110,135        | 110,135        |
| Missouri.....                        | 501,800                  | 1,630,850      | 1,630,850      |
| Montana.....                         | 232,124                  | 754,403        | 754,403        |
| Nebraska.....                        | 209,874                  | 682,091        | 682,091        |
| Nevada.....                          | —                        | 100,000        | 100,000        |
| New Hampshire.....                   | —                        | 100,000        | 100,000        |
| New Jersey.....                      | —                        | 100,000        | 100,000        |
| New Mexico.....                      | 7,586                    | 124,655        | 124,655        |
| New York.....                        | 32,671                   | 106,181        | 106,181        |
| North Carolina.....                  | —                        | 100,000        | 100,000        |
| North Dakota.....                    | 2,640,886                | 8,082,088      | 8,082,088      |
| Ohio.....                            | 73,567                   | 239,093        | 239,093        |
| Oklahoma.....                        | 288,683                  | 938,220        | 938,220        |
| Oregon.....                          | 44,810                   | 145,633        | 145,633        |
| Pennsylvania.....                    | 42,000                   | 136,500        | 136,500        |
| Rhode Island.....                    | —                        | 100,000        | 100,000        |
| South Carolina.....                  | —                        | 100,000        | 100,000        |
| South Dakota.....                    | 174,964                  | 568,633        | 568,633        |
| Tennessee.....                       | 16,200                   | 152,650        | 152,650        |
| Texas.....                           | 75,708                   | 246,051        | 246,051        |
| Utah.....                            | 136,707                  | 444,298        | 444,298        |
| Vermont.....                         | 25,284                   | 182,173        | 182,173        |
| Virginia.....                        | 4,001                    | 113,003        | 113,003        |
| Washington.....                      | 33,178                   | 107,829        | 107,829        |
| West Virginia.....                   | —                        | 100,000        | 100,000        |
| Wisconsin.....                       | 3,957,887                | 12,041,339     | 12,041,339     |
| Wyoming.....                         | 55,651                   | 180,866        | 180,866        |
| Puerto Rico.....                     | —                        | 100,000        | 100,000        |
| Trust Territories..                  | —                        | 100,000        | 100,000        |
| Virgin Islands.....                  | —                        | 100,000        | 100,000        |
| Total, Available or<br>Estimate..... | 15,376,149 <sup>1/</sup> | 50,000,000     | 50,000,000     |

<sup>1/</sup> Includes FCS Demonstration Project

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

State Mediation Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 110,200        | 170,840        | 99,087         |
| Arkansas.....                        | —              | 139,886        | 81,134         |
| Indiana.....                         | 29,090         | 37,340         | 21,657         |
| Iowa.....                            | 305,000        | 255,890        | 148,416        |
| Kansas.....                          | 431,150        | 451,990        | 262,154        |
| Maine.....                           | —              | 139,886        | 81,134         |
| Minnesota.....                       | 500,000        | 500,000        | 285,520        |
| Mississippi.....                     | 75,040         | 81,160         | 47,073         |
| Montana.....                         | 75,000         | 15,000         | 8,700          |
| Nebraska.....                        | 168,140        | 177,650        | 103,037        |
| New Mexico.....                      | 55,050         | 59,500         | 34,510         |
| North Dakota.....                    | 260,020        | 375,000        | 217,500        |
| Oklahoma.....                        | 269,870        | 262,760        | 152,401        |
| Oregon.....                          | —              | 139,888        | 81,135         |
| South Dakota.....                    | 97,000         | 92,360         | 53,569         |
| Texas.....                           | 500,000        | 427,970        | 248,223        |
| Utah.....                            | 12,000         | 10,000         | 5,800          |
| Wisconsin.....                       | 87,440         | 93,880         | 54,450         |
| Wyoming.....                         | 25,000         | 25,000         | 14,500         |
| Total, Available or<br>Estimate..... | 3,000,000      | 3,456,000      | 2,000,000      |



## FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Insurance Fund:

For direct and guaranteed loans as authorized by 7 U.S.C. 1928 and 86 Stat. 661-664, to be available from funds in the Rural Development Insurance Fund, as follows: water and sewer facility loans, [~~\$430,190,000~~] \$350,000,000, of which [~~\$75,000,000~~] \$50,000,000 shall be for guaranteed loans[; guaranteed industrial development loans, \$95,700,000]; and community facility loans, [~~\$119,700,000~~] \$95,700,000, of which [~~\$24,000,000~~] \$50,000,000 shall be for guaranteed loans.

For an additional amount to reimburse the Rural Development Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), [~~\$1,474,499,000~~] \$1,666,160,000.

This change eliminates the appropriation language for guaranteed industrial development loans. No funds are requested for fiscal year 1991.

## Rural Development Insurance Fund

(a) On Basis of Loan Levels

|                                |                     |
|--------------------------------|---------------------|
| Program Loan Levels, 1990..... | \$645,590,000       |
| Program Loan Levels, 1991..... | 445,700,000         |
| Decrease in Loan Levels.....   | <u>-199,890,000</u> |

## Adjustment in 1990

|                                                   |                   |                     |
|---------------------------------------------------|-------------------|---------------------|
| Appropriation Act, 1990.....                      | \$645,590,000     |                     |
| Gramm-Rudman-Hollings Reduction(P.L. 99-177)..... | <u>-7,604,000</u> |                     |
| Adjusted base for 1990.....                       |                   | 637,986,000         |
| Budget estimate, 1991.....                        |                   | 445,700,000         |
| Decrease from adjusted 1990.....                  |                   | <u>-192,286,000</u> |

SUMMARY OF INCREASE AND DECREASES  
(On basis of loan levels in Appropriation Act)

| Item of Change                                 | 1990<br>Authorized | Program<br>Changes | 1991<br>Estimated |
|------------------------------------------------|--------------------|--------------------|-------------------|
| Direct water and waste disposal loans.....     | \$350,293,000      | -\$ 50,293,000     | \$300,000,000     |
| Guaranteed water and waste disposal loans..... | 74,465,000         | -24,465,000        | 50,000,000        |
| Direct community facility loans..              | 94,381,000         | -48,681,000        | 45,700,000        |
| Guaranteed community facility loans.....       | 23,829,000         | +26,171,000        | 50,000,000        |
| Guaranteed business and industrial loans.....  | 95,018,000         | -95,018,000        | --                |
| TOTAL.....                                     | 637,986,000        | -192,286,000       | 445,700,000       |

Staff-years are reflected in the Salaries and Expense Project Statement.



PROJECT STATEMENT  
(On basis of loan levels)  
(In thousands of dollars)

| Project                                        | 1989<br>Actual | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|------------------------------------------------|----------------|-------------------|-------------------------|-------------------|
| Rural Development Assistance:                  |                |                   |                         |                   |
| Direct water and waste disposal loans.....     | \$332,880      | \$350,293         | -\$ 50,293(1)           | \$300,000         |
| Guaranteed water and waste disposal loans..... | --             | 74,465            | -24,465(2)              | 50,000            |
| Direct community facility loans..              | 95,700         | 94,381            | -48,681(1)              | 45,700            |
| Guaranteed community facility loans.....       | --             | 23,829            | +26,171(2)              | 50,000            |
| Guaranteed business and industrial loans.....  | 95,677         | 95,018            | -95,018(3)              | --                |
| Disaster Asst. Act of 1988 a/...               | 3,445          | 10,000            | --                      | 10,000            |
| Disaster Asst. Act of 1989 b/...               | --             | 60,000            | --                      | 60,000            |
| Adjusted total.....                            | 527,702        | 707,986           | -192,286                | 515,700           |
| Authority available from prior years.....      | -3,445         | -70,000           | --                      | -70,000           |
| Gramm-Rudman-Hollings Reduction...             | --             | 7,604             | -7,604                  | --                |
| TOTAL.....                                     | 524,257        | 645,590           | -199,890                | 445,700           |

Staff-years are reflected in the Salaries and Expense Project Statement.

a/ The Disaster Assistance Act of 1988, P.L. 100-387 provided \$200 million in loan guarantee authority, to remain available until expended. Amounts shown represent estimated obligations of the guarantee authority.

b/ The Disaster Assistance Act of 1989, P.L. 101-82, provided an additional \$200 million in loan guarantee authority with slightly different restrictions. The bill Making Technical Corrections in Agricultural Programs, P.L. 101-220, increased this loan guarantee authority by another \$100 million. Amounts shown represent estimated obligations of the guarantee authority. This \$300 million authority is available until expended.

EXPLANATION OF PROGRAM

The Rural Development Act of 1972 authorized the establishment of the Rural Development Insurance Fund under section 309A of the Consolidated Farm and Rural Development Act. This Act provided for transfer to the Rural Development Insurance Fund the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities. This fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities and industrial development in rural areas. A description of each type of loan follows:

Direct water and waste disposal loans. Loans are made to public bodies, organizations operated on a not for profit basis and Indian tribes on Federal and State Reservations and other Federally recognized Indian tribes, for the development of storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. A rural area includes any area in any city or town which has a population of not more than 10,000 inhabitants.

Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. FmHA loans are repayable in not more than 40 years or the useful life of the facility, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent, the poverty line interest rate. The intermediate interest rate, which is the poverty line rate plus one-half the difference between the poverty line rate and the market rate, with a ceiling of 7 percent, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 100 percent of the nonmetropolitan median household income of the State.

Guaranteed water and waste disposal loans. Beginning in FY 1990, guaranteed loan authority is available through the water and waste disposal loan program. Eligible borrowers and loan purposes are similar to those under the direct water and waste disposal loan program with the exception that loans involving tax-exempt obligations and loans involving a Farmers Home Administration (FmHA) grant may not be guaranteed. Normally, the guarantee will not exceed 80 percent, however, in extraordinary circumstances it may be increased up to a maximum of 90 percent. The interest rate is negotiated between the borrower and lender and may be a fixed or variable rate.

Direct community facility loans. Loans are made to public bodies, organizations operated on a not for profit basis and Indian tribes on Federal and State Reservations and other Federally recognized Indian tribes, to construct, enlarge, extend, or otherwise improve community facilities which provide essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, hydroelectric generation, and community, social, and cultural benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 population.

Applicants must be unable to obtain sufficient credit elsewhere to finance actual needs at reasonable rates and terms. Loans are repayable in not more than the useful life of the facility or 40 years, whichever is less. These loans bear interest not in excess of the current market yield for comparable term municipal obligations. Those loans, made in areas where the median household income falls below the higher of 80 percent of the statewide nonmetropolitan median household income or the poverty level and the project is needed to meet health or sanitary standards, bear interest not in excess of 5 percent which is the poverty line interest rate. The intermediate interest rate, which is the poverty line rate plus one-half the difference between the poverty line rate and the market rate, with a ceiling of 7 percent, applies when the loan does not meet the requirements of the poverty line rate and the median household income of the service area is not more than 100 percent of the nonmetropolitan median household income of the State. An additional 2 percent is added to the interest rate if projects are built on prime farmland, unless the borrower is a public body and there are no suitable optional sites.

Guaranteed community facility loans. Beginning in FY 1990, guaranteed loan authority is available through the community facilities loan program. Eligible borrowers and loan purposes are similar to those under the direct community facilities loan program with the exception that loans involving tax-exempt obligations and loans involving a FmHA grant may not be guaranteed. Normally, the guarantee will not exceed 80 percent, however, in extraordinary circumstances it may be increased up to a maximum of 90 percent. The interest rate is negotiated between the borrower and lender and may be a fixed or variable rate.

Guaranteed business and industrial development loans. These guaranteed loans are made to public, private, or cooperative organizations organized for profit or nonprofit, to certain Indian tribes or tribal groups, corporate entities, or to individuals for the purpose of improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, conversion, enlargement, repair or modernization; financing the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, machinery, supplies and materials; and paying start-up costs and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of 25,000 or less. To obtain a loan, a borrower must have the legal capacity necessary for constructing, operating, and maintaining the proposed facility and for obtaining, securing, and repaying the loan. A borrower must be financially sound and so organized and managed that efficient service will be provided. Loans may be guaranteed by FmHA not to exceed 90 percent of the loss. Guaranteed loans may be made with maturities of 7, 15 or 30 years, depending on the collateral, and bear interest at a rate agreed upon by the lender and borrower.

Disaster Assistance Act of 1988 and Disaster Assistance Act of 1989. The Disaster Assistance Act of 1988, P.L. 100-387, provided \$200 million for loan guarantees to rural business entities suffering economic hardship as a direct or indirect result of the extreme weather conditions faced by much of the Nation throughout fiscal year 1988. These loan guarantees may be issued for up to 90 percent of the principal amount with a cap of \$500,000 per borrower. Additional loan guarantee authority for disaster assistance, in the amount of \$200 million was made available through the Disaster Assistance Act of 1989, P.L. 101-82, to address the adverse weather conditions suffered in fiscal years 1988 and 1989. This authority may be used to guarantee principal and interest with certain limitations, such as, the total principal amount guaranteed cannot exceed \$10 million per borrower and the maximum loss payable is the lesser of the percentage of guarantee multiplied by the unpaid principal and accrued interest or \$2.5 million. For loans in excess of \$2 million the percentage of guarantee will be calculated so that the guaranteed portion of the principal amount of the loan cannot exceed \$2 million. For loans of \$2 million or less, the maximum percentage of guarantee is 90 percent. The bill Making Technical Corrections in Agricultural Programs, P.L. 101-220, authorized an additional \$100 million in guaranteed loan authority for this program as well as included earthquakes in the list of adverse conditions eligible for assistance. Although this guarantee authority is to remain available until expended, it is anticipated that all eligible loans will have been guaranteed by the conclusion of fiscal year 1991.

#### JUSTIFICATION OF INCREASE AND DECREASES

- (1) A decrease of \$50,293,000 for direct water and waste disposal loans and a decrease of \$48,681,000 for direct community facility loans (\$350,293,000 and \$94,381,000 respectively available in 1990).

The Administration recognizes the need to continue financial assistance to low-income communities to aid their efforts in providing basic public services and in meeting Federal water quality and drinking water standards. In response the Department established their Rural Development Initiative in 1987 to reevaluate and redirect assistance to low-income and very low-income communities. The 1991 budget reflects the Administration's continuing concern for rural development by proposing funding for direct water and waste disposal loans and grants and direct community facility loans. This funding would provide support for 576 water and waste systems and 136 community facilities -- primarily public safety and health care facilities.

- (2) A decrease of \$24,465,000 for guaranteed water and waste disposal loans and an increase of \$26,171,000 for guaranteed community facility loans (\$74,465,000 and \$23,829,000, respectively available in 1990). In addition to providing direct loans, the Administration will continue the shift to guaranteed lending authority as provided by Congress in the FY 1990 Appropriation Act. The new guaranteed loans will be targeted toward higher income taxable borrowers who can afford closer to market rate loans. This level will provide loans for 81 water and waste disposal systems and 97 community facilities.
- (3) A decrease of \$95,018,000 for guaranteed business and industrial loans (\$95,018,000 available in 1990). The business and industry loan program will be terminated to better streamline Federal business lending to rural communities. This program duplicates the guaranteed loan programs of the Small Business Administration which can more effectively aid rural businesses with its multiple programs of lending, training, and business assistance.

Within FmHA, the Budget increases loans from the Rural Development Loan Fund to better assist grass roots business development. These loans are made to local intermediaries who can, in turn, provide credit to emerging rural businesses.



(b) Reimbursement for Interest Subsidies and Losses

|                                |                     |
|--------------------------------|---------------------|
| Appropriation Act, 1990.....   | \$1,474,499,000     |
| Budget Estimate, 1991.....     | 1,666,160,000       |
| Increase in Appropriation..... | <u>+191,661,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)  
(In thousands of dollars)

| Project                      | 1989<br>Actual | 1990<br>Actual | Increase or<br>Decrease | 1991<br>Estimated |
|------------------------------|----------------|----------------|-------------------------|-------------------|
| Reimbursement for Interest : |                |                |                         |                   |
| Subsidies and Losses:        |                |                |                         |                   |
| Water and waste disposal :   |                |                |                         |                   |
| loans:                       |                |                |                         |                   |
| Water supply.....            | \$392,336      | \$367,729      | -\$ 58,375              | \$ 309,354        |
| Waste disposal.....          | 144,410        | 137,154        | -4,380                  | 132,774           |
| Combination water            |                |                |                         |                   |
| supply and waste             |                |                |                         |                   |
| disposal.....                | 45,672         | 37,404         | -9,092                  | 28,312            |
| Community facility loans:    | 125,894        | 139,518        | +3,819                  | 143,337           |
| Business and indus-          |                |                |                         |                   |
| trial loans.....             | 21,856         | 31,157         | +98,400                 | 129,557           |
| Borrower discount            |                |                |                         |                   |
| purchase program/sale        |                |                |                         |                   |
| of loan assets.....          | 861,879        | 758,037        | +164,789                | 922,826           |
| Total Losses.....            | 1,592,047      | 1,470,999      | +195,161(1)             | 1,666,160         |
| Appropriation for FY 1986    |                |                |                         |                   |
| losses reimbursed in         |                |                |                         |                   |
| FY 1989.....                 | +7,500         | --             | --                      | --                |
| Amount of FY 1987 losses     |                |                |                         |                   |
| not appropriated in          |                |                |                         |                   |
| FY 1989.....                 | -11,000        | --             | --                      | --                |
| Appropriation for FY 1987    |                |                |                         |                   |
| losses reimbursed in         |                |                |                         |                   |
| FY 1990.....                 | --             | +11,000        | -11,000(2)              | --                |
| Appropriation for FY 1988    |                |                |                         |                   |
| losses.....                  | +7,500         | -7,500         | +7,500                  | --                |
| Total Appropriation.....     | 1,596,047      | 1,474,499      | +191,661                | 1,666,160         |

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This appropriation is proposed to reimburse the Rural Development Insurance Fund for funded interest subsidies and losses incurred in fiscal year 1989.



JUSTIFICATION OF INCREASE AND DECREASES

- (1) An increase of \$195,161,000 for reimbursement of interest subsidies and losses incurred in 1989 (\$1,470,999,000 in interest subsidies and losses incurred in 1988).

Need for Change. The amount requested will reimburse the Rural Development Insurance Fund for interest subsidies and losses incurred in FY 1989. The loss results from the difference between interest rates charged to borrowers and the rate which the Government must pay for its own borrowing. The increase in reimbursement for losses is primarily caused by the increase in loss settlement on business and industrial loans and the increase in the sale of assets results from the discount on the loans purchased under the borrower discount purchase program being more than the year before. The borrower discount purchase program resulted in a budget deficit reduction in FY 1989 and eliminated the need to request interest subsidy reimbursements, in the future, on those loans sold.

Nature of Change. The amount requested will reimburse the Rural Development Insurance Fund for interest subsidies and losses incurred in FY 1989.

- (2) The decrease of \$11,000,000 reimbursement of interest subsidies and losses incurred in FY 1987, not reimbursed in FY 1989.

Need for Change. The amount of funding not made available in FY 1989 for FY 1987 losses was \$11,000,000. Congress appropriated the \$11,000,000 to the Rural Development Insurance Fund but instructed that it be transferred to the Rural Development Loan Fund to make loans in FY 1989.

Nature of Change. The amount of interest subsidies and losses incurred in FY 1987 was reimbursed in FY 1990.

The following schedule presents an analysis of change in the cash position of the Fund.

Change in Cash Position of the Fund  
(In thousands of dollars)

|                                      | <u>1989</u><br><u>Actual</u> | <u>1990</u><br><u>Estimated</u> | <u>1991</u><br><u>Estimated</u> |
|--------------------------------------|------------------------------|---------------------------------|---------------------------------|
| Cash balance, beginning of year..... | \$ 15,600                    | \$ 53,843                       | \$ 32,080                       |
| Outlays.....                         | <u>-402,805</u>              | <u>-891,262</u>                 | <u>-885,246</u>                 |
| Funds for financing:                 |                              |                                 |                                 |
| Appropriation for reimbursement      |                              |                                 |                                 |
| of interest subsidies and losses.... | 1,596,047                    | 1,474,499                       | 1,666,160                       |
| Treasury borrowings.....             | 1,505,000                    | 900,000                         | 200,000                         |
| Repayment of borrowings              |                              |                                 |                                 |
| from Treasury.....                   | -1,435,000                   | -1,505,000                      | -900,000                        |
| Repayment of borrowings from FFB     |                              |                                 |                                 |
| ahead of schedule.....               | <u>-1,225,000</u>            | <u>--</u>                       | <u>--</u>                       |
| Net financing.....                   | <u>441,047</u>               | <u>869,499</u>                  | <u>966,160</u>                  |
| Cash balance, end of year.....       | <u>53,843</u>                | <u>32,080</u>                   | <u>112,994</u>                  |

An analysis by loan program of the accrued operating deficit, exclusive of unfunded losses, is shown in the following tables. In accordance with the accounting principles and standards followed by FmHA, this schedule is prepared on an accrual basis.



## Rural Development Insurance Fund

Operating Income and Expense Statement - Continued  
(In Thousands of Dollars)

|                                                     | Income    |         | Expenses  |           |                |        | Net<br>Total |            |
|-----------------------------------------------------|-----------|---------|-----------|-----------|----------------|--------|--------------|------------|
|                                                     | Interest  | Other   | Total     | Interest  | Write-<br>offs | Other  |              | Total      |
| 1991 Estimate                                       |           |         |           |           |                |        |              |            |
| Water and waste disposal loans:                     |           |         |           |           |                |        |              |            |
| Water supply.....                                   | \$ 92,648 | \$1,000 | \$ 93,648 | \$378,290 | \$120          | \$ 580 | \$378,990    | -\$285,342 |
| Waste disposal.....                                 | 36,629    | --      | 36,629    | 145,496   | --             | --     | 145,496      | -108,867   |
| Combination water supply and<br>waste disposal..... | 8,619     | --      | 8,619     | 36,374    | --             | --     | 36,374       | -27,755    |
| Community facility loans.....                       | 40,937    | 1,000   | 41,937    | 138,221   | 354            | 134    | 138,709      | -96,772    |
| Business and industrial loans.....                  | 33,630    | 1,000   | 34,630    | 29,100    | 233            | 43,905 | 73,238       | -38,608    |
| TOTAL.....                                          | 212,463   | 3,000   | 215,463   | 727,481   | 707            | 44,619 | 772,807      | -557,344   |

The following schedules present an analysis of outlays by loan program for fiscal years 1989, 1990 and 1991.

Rural Development Insurance Fund

Analysis of Outlays by Loan Program  
Fiscal Year 1989 Actual  
(In Thousands of Dollars)

|                                                          | Water<br>Supply<br>Loans | Waste<br>Disposal<br>Loans | Combination<br>Water Supply<br>& Waste Dis-<br>posal Loans | Community<br>Facility<br>Loans | Business &<br>Industrial<br>Loans | Total            |
|----------------------------------------------------------|--------------------------|----------------------------|------------------------------------------------------------|--------------------------------|-----------------------------------|------------------|
| <b>Funds for program operation:</b>                      |                          |                            |                                                            |                                |                                   |                  |
| Funds expended:                                          |                          |                            |                                                            |                                |                                   |                  |
| Loans made by the fund.....                              | \$ 173,805               | \$154,066                  | \$ 7,896                                                   | \$120,409                      | --                                | \$ 456,176       |
| Purchase of certificates of beneficial<br>ownership..... | 43,429                   | 18,399                     | 4,087                                                      | 19,889                         | \$ 468                            | 86,272           |
| Purchase of loans.....                                   | 6,509                    | 88                         | 456                                                        | --                             | --                                | 7,053            |
| Collections disbursed to investors.....                  | 6,338                    | 15                         | 274                                                        | --                             | --                                | 6,627            |
| Interest expense.....                                    | 483,301                  | 204,296                    | 45,404                                                     | 220,050                        | 28,074                            | 981,125          |
| Investment in guaranteed loans.....                      | --                       | --                         | --                                                         | --                             | 17,286                            | 17,286           |
| Loss settlement, guaranteed loans.....                   | 171,936                  | 72,842                     | 16,179                                                     | 78,741                         | 23,224                            | 23,224           |
| FFB prepayment penalty.....                              | 808,908                  | 340,963                    | 105,132                                                    | 319,130                        | 1,851                             | 341,549          |
| Other.....                                               | --                       | --                         | --                                                         | --                             | 22,940                            | 1,597,073        |
| <b>Total funds expended.....</b>                         | <b>1,694,226</b>         | <b>790,669</b>             | <b>179,428</b>                                             | <b>758,219</b>                 | <b>93,843</b>                     | <b>3,516,385</b> |
| <b>Funds received:</b>                                   |                          |                            |                                                            |                                |                                   |                  |
| Repayments on loans.....                                 | 59,806                   | 30,888                     | 5,599                                                      | 32,331                         | 583                               | 129,207          |
| Payment of interest on loans.....                        | 119,195                  | 48,270                     | 12,418                                                     | 51,224                         | 1,497                             | 232,604          |
| Collections received for investors.....                  | 5,514                    | 7                          | 203                                                        | --                             | --                                | 5,724            |
| Payments on investment in guaranteed<br>loans.....       | --                       | --                         | --                                                         | --                             | 34,095                            | 34,095           |
| Insurance premiums and guarantee fees....                | --                       | --                         | --                                                         | --                             | 754                               | 754              |
| Principal on loan asset sale.....                        | 607,481                  | 236,765                    | 78,303                                                     | 159,810                        | --                                | 1,082,359        |
| Interest on loan asset sale.....                         | 14,073                   | 7,165                      | 2,073                                                      | 3,828                          | --                                | 27,139           |
| Other.....                                               | 811,133                  | 341,896                    | 105,340                                                    | 320,149                        | 23,180                            | 1,601,698        |
| <b>Total funds received.....</b>                         | <b>1,617,202</b>         | <b>664,991</b>             | <b>203,936</b>                                             | <b>567,342</b>                 | <b>60,109</b>                     | <b>3,113,580</b> |
| <b>Outlays.....</b>                                      | <b>77,024</b>            | <b>125,678</b>             | <b>-24,508</b>                                             | <b>190,877</b>                 | <b>33,734</b>                     | <b>402,805</b>   |



## Rural Development Insurance Fund

Analysis of Outlays by Loan Program  
Fiscal Year 1990 Estimated  
(In Thousands of Dollars)

|                                                          | Water<br>Supply<br>Loans | Waste<br>Disposal<br>Loans | Combination<br>Water Supply<br>& Waste Dis-<br>posal Loans | Community<br>Facility<br>Loans | Business &<br>Industrial<br>Loans | Total            |
|----------------------------------------------------------|--------------------------|----------------------------|------------------------------------------------------------|--------------------------------|-----------------------------------|------------------|
| <b>Funds for program operation:</b>                      |                          |                            |                                                            |                                |                                   |                  |
| Funds expended:                                          | \$138,177                | \$122,582                  | \$ 6,165                                                   | \$ 95,745                      | --                                | \$ 362,669       |
| Loans made by the fund.....                              | 2,743                    | 1,162                      | 256                                                        | 1,260                          | \$ 33                             | 5,454            |
| Purchase of certificates of beneficial<br>ownership..... | 72                       | 2                          | 5                                                          | --                             | --                                | 79               |
| Purchase of loans.....                                   | 9,560                    | 30                         | 410                                                        | --                             | --                                | 10,000           |
| Collections disbursed to investors.....                  | 384,301                  | 162,469                    | 35,931                                                     | 174,966                        | 23,433                            | 781,100          |
| Interest expense.....                                    | --                       | --                         | --                                                         | --                             | 47,591                            | 47,591           |
| Investment in guaranteed loans.....                      | --                       | --                         | --                                                         | --                             | 13,823                            | 13,823           |
| Loss settlement, guaranteed loans.....                   | 623                      | 1                          | 20                                                         | --                             | 6                                 | 650              |
| Other.....                                               | --                       | --                         | --                                                         | --                             | --                                | --               |
| <b>Total funds expended.....</b>                         | <b>535,476</b>           | <b>286,246</b>             | <b>42,787</b>                                              | <b>271,971</b>                 | <b>84,886</b>                     | <b>1,221,366</b> |
| <b>Funds received:</b>                                   |                          |                            |                                                            |                                |                                   |                  |
| Repayments on loans.....                                 | 43,964                   | 22,694                     | 4,083                                                      | 23,738                         | 475                               | 94,954           |
| Payment of interest on loans.....                        | 87,898                   | 35,709                     | 9,099                                                      | 37,769                         | 1,202                             | 171,677          |
| Collections received for investors.....                  | 9,100                    | 500                        | 400                                                        | --                             | --                                | 10,000           |
| Payments on investment in guaranteed<br>loans.....       | 5,520                    | 1,840                      | --                                                         | 7,359                          | 22,078                            | 36,797           |
| Insurance premiums and guarantee fees.....               | 670                      | --                         | --                                                         | 215                            | 2,970                             | 3,855            |
| Loan asset sale.....                                     | 6,784                    | 3,072                      | 1,024                                                      | 1,920                          | --                                | 12,800           |
| Other.....                                               | 11                       | 4                          | 1                                                          | 4                              | 1                                 | 21               |
| <b>Total funds received.....</b>                         | <b>153,947</b>           | <b>63,819</b>              | <b>14,607</b>                                              | <b>71,005</b>                  | <b>26,726</b>                     | <b>330,104</b>   |
| <b>Outlays.....</b>                                      | <b>381,529</b>           | <b>222,427</b>             | <b>28,180</b>                                              | <b>200,966</b>                 | <b>58,160</b>                     | <b>891,262</b>   |

## Rural Development Insurance Fund

Analysis of Outlays by Loan Program  
Fiscal Year 1991 Estimated  
(In Thousands of Dollars)

|                                                          | Water<br>Supply<br>Loans | Waste<br>Disposal<br>Loans | Combination<br>Water Supply<br>& Waste Dis-<br>posal Loans | Community<br>Facility<br>Loans | Business &<br>Industrial<br>Loans | Total      |
|----------------------------------------------------------|--------------------------|----------------------------|------------------------------------------------------------|--------------------------------|-----------------------------------|------------|
| <b>Funds for program operation:</b>                      |                          |                            |                                                            |                                |                                   |            |
| Funds expended:                                          | \$145,883                | \$129,418                  | \$ 6,509                                                   | \$101,084                      | --                                | \$ 382,894 |
| Loans made by the fund.....                              | 262                      | 111                        | 24                                                         | 120                            | 3                                 | 520        |
| Purchase of certificates of beneficial<br>ownership..... | 3,054                    | 43                         | 215                                                        | --                             | --                                | 3,312      |
| Purchase of loans.....                                   | 6,100                    | 2,800                      | 1,100                                                      | --                             | --                                | 10,000     |
| Collections disbursed to investors.....                  | 378,228                  | 159,902                    | 35,363                                                     | 172,202                        | 23,063                            | 768,758    |
| Interest expense.....                                    | 6,149                    | 2,050                      | --                                                         | 8,199                          | 24,597                            | 40,995     |
| Investment in guaranteed loans.....                      | --                       | --                         | --                                                         | --                             | 11,058                            | 11,058     |
| Loss settlement, guaranteed loans.....                   | 575                      | 2                          | 18                                                         | --                             | 5                                 | 600        |
| Other.....                                               | --                       | --                         | --                                                         | --                             | --                                | --         |
| Total funds expended.....                                | 540,251                  | 294,326                    | 43,229                                                     | 281,605                        | 58,726                            | 1,218,137  |
| <b>Funds received:</b>                                   |                          |                            |                                                            |                                |                                   |            |
| Repayments on loans.....                                 | 46,836                   | 24,177                     | 4,350                                                      | 25,290                         | 505                               | 101,158    |
| Payment of interest on loans.....                        | 93,642                   | 38,042                     | 9,693                                                      | 40,237                         | 1,280                             | 182,894    |
| Collections received for investors.....                  | 9,100                    | 500                        | 400                                                        | --                             | --                                | 10,000     |
| Payments on investment in guaranteed<br>loans.....       | 5,500                    | 1,833                      | --                                                         | 7,333                          | 21,999                            | 36,665     |
| Insurance premiums and guarantee fees.....               | 446                      | --                         | --                                                         | 445                            | 1,260                             | 2,151      |
| Other.....                                               | 12                       | 4                          | 2                                                          | 4                              | 1                                 | 23         |
| Total funds received.....                                | 155,536                  | 64,556                     | 14,445                                                     | 73,309                         | 25,045                            | 332,891    |
| Outlays.....                                             | 384,715                  | 229,770                    | 28,784                                                     | 208,296                        | 33,681                            | 885,246    |

14-85

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Development Insurance Fund

Water and Waste Diposal Loan Program - Direct

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 8,459,160      | 8,884,049      | 7,614,899      |
| Alaska.....                          | --             | 100,000        | 85,714         |
| Arizona.....                         | 590,800        | 620,475        | 531,836        |
| Arkansas.....                        | 18,734,900     | 19,675,922     | 16,865,076     |
| California.....                      | 10,189,800     | 10,701,616     | 9,172,814      |
| Colorado.....                        | 266,400        | 279,781        | 239,812        |
| Connecticut.....                     | 1,761,200      | 1,849,662      | 1,585,425      |
| Delaware.....                        | 678,900        | 713,000        | 611,143        |
| Florida.....                         | 9,551,800      | 10,031,571     | 8,598,489      |
| Georgia.....                         | 3,066,200      | 3,220,210      | 2,760,180      |
| Hawaii.....                          | --             | 100,000        | 85,714         |
| Idaho.....                           | 2,036,700      | 2,139,000      | 1,833,429      |
| Illinois.....                        | 4,190,500      | 4,400,982      | 3,772,270      |
| Indiana.....                         | 2,922,600      | 3,069,397      | 2,630,912      |
| Iowa.....                            | 14,759,000     | 15,500,319     | 13,285,988     |
| Kansas.....                          | 1,636,900      | 1,719,119      | 1,473,530      |
| Kentucky.....                        | 21,648,200     | 22,735,552     | 19,487,616     |
| Louisiana.....                       | 8,740,000      | 9,178,995      | 7,867,710      |
| Maine.....                           | 11,857,180     | 12,452,746     | 10,673,782     |
| Maryland.....                        | 3,465,000      | 3,639,041      | 3,119,178      |
| Massachusetts.....                   | 9,269,960      | 9,735,574      | 8,344,778      |
| Michigan.....                        | 11,334,000     | 11,903,288     | 10,202,818     |
| Minnesota.....                       | 5,437,000      | 5,710,091      | 4,894,364      |
| Mississippi.....                     | 9,104,700      | 9,562,014      | 8,196,012      |
| Missouri.....                        | 6,767,400      | 7,107,315      | 6,091,984      |
| Montana.....                         | 256,400        | 269,279        | 230,810        |
| Nebraska.....                        | 1,950,900      | 2,048,890      | 1,756,192      |
| Nevada.....                          | 1,714,700      | 1,800,826      | 1,543,566      |
| New Hampshire.....                   | 1,537,000      | 1,614,201      | 1,383,601      |
| New Jersey.....                      | 3,055,800      | 3,209,288      | 2,750,818      |
| New Mexico.....                      | 702,300        | 737,575        | 632,207        |
| New York.....                        | 13,543,400     | 14,223,662     | 12,191,710     |
| North Carolina.....                  | 31,162,000     | 32,727,214     | 28,051,898     |
| North Dakota.....                    | 2,585,000      | 2,714,840      | 2,327,006      |
| Ohio.....                            | 12,451,000     | 13,076,393     | 11,208,336     |
| Oklahoma.....                        | 4,768,200      | 5,007,699      | 4,292,313      |
| Oregon.....                          | 3,716,100      | 3,902,753      | 3,345,217      |
| Pennsylvania.....                    | 15,641,000     | 16,426,621     | 14,079,961     |
| Rhode Island.....                    | 463,000        | 486,256        | 416,791        |
| South Carolina.....                  | 14,882,500     | 15,630,023     | 13,397,162     |
| South Dakota.....                    | 2,245,500      | 2,358,288      | 2,021,389      |
| Tennessee.....                       | 9,984,000      | 10,485,479     | 8,987,554      |
| Texas.....                           | 14,815,000     | 15,559,132     | 13,336,399     |
| Utah.....                            | 520,000        | 546,119        | 468,102        |
| Vermont.....                         | 3,170,800      | 3,330,064      | 2,854,340      |
| Virginia.....                        | 8,126,400      | 8,534,575      | 7,315,350      |
| Washington.....                      | 2,873,400      | 3,017,726      | 2,586,622      |
| West Virginia.....                   | 8,337,000      | 8,755,753      | 7,504,931      |
| Wisconsin.....                       | 5,561,600      | 5,840,950      | 5,006,528      |
| Wyoming.....                         | 378,700        | 397,721        | 340,904        |
| Puerto Rico.....                     | 1,970,000      | 2,068,953      | 1,773,388      |
| Trust Territories..                  | --             | 100,000        | 85,714         |
| Virgin Islands.....                  | --             | 100,000        | 85,714         |
| Total, Available or<br>Estimate..... | 332,880,000    | 350,000,000    | 300,000,000    |

14-86  
Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Development Insurance Fund

Water and Waste Disposal Loan Program - Guaranteed

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | --             | 1,887,225      | 1,267,189      |
| Alaska.....                          | --             | 58,001         | 38,945         |
| Arizona.....                         | --             | 131,807        | 88,503         |
| Arkansas.....                        | --             | 4,179,726      | 2,806,504      |
| California.....                      | --             | 2,273,328      | 1,526,441      |
| Colorado.....                        | --             | 59,443         | 39,913         |
| Connecticut.....                     | --             | 392,921        | 263,829        |
| Delaware.....                        | --             | 151,462        | 101,700        |
| Florida.....                         | --             | 2,130,991      | 1,430,868      |
| Georgia.....                         | --             | 684,064        | 459,319        |
| Hawaii.....                          | --             | 50,000         | 33,573         |
| Idaho.....                           | --             | 454,385        | 305,100        |
| Illinois.....                        | --             | 934,894        | 627,741        |
| Indiana.....                         | --             | 652,027        | 437,808        |
| Iowa.....                            | --             | 3,292,709      | 2,210,910      |
| Kansas.....                          | --             | 365,190        | 245,209        |
| Kentucky.....                        | --             | 4,829,679      | 3,242,919      |
| Louisiana.....                       | --             | 1,949,880      | 1,309,259      |
| Maine.....                           | --             | 2,645,318      | 1,776,216      |
| Maryland.....                        | --             | 773,036        | 519,060        |
| Massachusetts.....                   | --             | 2,068,113      | 1,388,648      |
| Michigan.....                        | --             | 2,528,597      | 1,697,843      |
| Minnesota.....                       | --             | 1,212,986      | 814,467        |
| Mississippi.....                     | --             | 2,031,244      | 1,363,892      |
| Missouri.....                        | --             | 1,509,796      | 1,013,762      |
| Montana.....                         | --             | 57,202         | 38,409         |
| Nebraska.....                        | --             | 435,243        | 292,247        |
| Nevada.....                          | --             | 382,547        | 256,864        |
| New Hampshire.....                   | --             | 342,902        | 230,244        |
| New Jersey.....                      | --             | 681,744        | 457,761        |
| New Mexico.....                      | --             | 156,682        | 105,205        |
| New York.....                        | --             | 3,021,511      | 2,028,813      |
| North Carolina.....                  | --             | 6,592,193      | 4,426,370      |
| North Dakota.....                    | --             | 576,709        | 387,235        |
| Ohio.....                            | --             | 2,777,798      | 1,865,170      |
| Oklahoma.....                        | --             | 1,063,778      | 714,281        |
| Oregon.....                          | --             | 829,056        | 556,675        |
| Pennsylvania.....                    | --             | 3,489,482      | 2,343,035      |
| Rhode Island.....                    | --             | 103,295        | 69,358         |
| South Carolina.....                  | --             | 3,320,262      | 2,229,411      |
| South Dakota.....                    | --             | 500,967        | 336,377        |
| Tennessee.....                       | --             | 2,227,415      | 1,495,612      |
| Texas.....                           | --             | 3,657,187      | 2,455,642      |
| Utah.....                            | --             | 116,011        | 77,896         |
| Vermont.....                         | --             | 707,400        | 474,988        |
| Virginia.....                        | --             | 1,812,987      | 1,217,342      |
| Washington.....                      | --             | 641,051        | 430,438        |
| West Virginia.....                   | --             | 1,859,971      | 1,248,889      |
| Wisconsin.....                       | --             | 1,240,784      | 833,132        |
| Wyoming.....                         | --             | 84,497         | 56,736         |
| Puerto Rico.....                     | --             | 439,504        | 295,108        |
| Trust Territories..                  | --             | 50,000         | 33,573         |
| Virgin Islands.....                  | --             | 50,000         | 33,573         |
| Total, Available or<br>Estimate..... | --             | 74,465,000     | 50,000,000     |

14-87  
Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Development Insurance Fund

Community Facilities Loan Program - Direct

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 60,000         | 59,023         | 28,579         |
| Alaska.....                          | 1,975,000      | 1,942,826      | 940,731        |
| Arizona.....                         | —              | 30,000         | 14,526         |
| Arkansas.....                        | 2,000,000      | 1,967,419      | 952,639        |
| California.....                      | 2,010,400      | 1,977,650      | 957,593        |
| Colorado.....                        | —              | 30,000         | 14,526         |
| Connecticut.....                     | 1,140,000      | 1,121,429      | 543,004        |
| Delaware.....                        | —              | 30,000         | 14,526         |
| Florida.....                         | 2,280,000      | 2,242,858      | 1,086,009      |
| Georgia.....                         | 100,000        | 98,371         | 47,632         |
| Hawaii.....                          | —              | 30,000         | 14,526         |
| Idaho.....                           | 195,000        | 191,823        | 92,882         |
| Illinois.....                        | 2,000,000      | 1,967,419      | 952,639        |
| Indiana.....                         | —              | 30,000         | 14,526         |
| Iowa.....                            | 1,276,200      | 1,255,410      | 607,879        |
| Kansas.....                          | 667,500        | 656,626        | 317,943        |
| Kentucky.....                        | 5,204,300      | 5,119,519      | 2,478,910      |
| Louisiana.....                       | 2,487,400      | 2,446,879      | 1,184,797      |
| Maine.....                           | 5,648,800      | 5,556,778      | 2,690,634      |
| Maryland.....                        | 977,000        | 961,084        | 465,364        |
| Massachusetts.....                   | 6,210,900      | 6,109,721      | 2,958,374      |
| Michigan.....                        | 1,268,000      | 1,247,344      | 603,973        |
| Minnesota.....                       | 1,970,000      | 1,937,908      | 938,350        |
| Mississippi.....                     | 1,500,000      | 1,475,564      | 714,479        |
| Missouri.....                        | 1,490,000      | 1,465,727      | 709,716        |
| Montana.....                         | 197,900        | 194,676        | 94,264         |
| Nebraska.....                        | 700,000        | 688,597        | 333,424        |
| Nevada.....                          | —              | 30,000         | 14,526         |
| New Hampshire.....                   | 1,245,000      | 1,224,718      | 593,018        |
| New Jersey.....                      | 1,645,000      | 1,618,202      | 783,546        |
| New Mexico.....                      | 460,000        | 452,506        | 219,107        |
| New York.....                        | 4,454,000      | 4,381,442      | 2,121,528      |
| North Carolina.....                  | 7,800,100      | 7,673,032      | 3,715,341      |
| North Dakota.....                    | 461,000        | 453,490        | 219,583        |
| Ohio.....                            | 3,639,000      | 3,579,719      | 1,733,327      |
| Oklahoma.....                        | 1,376,500      | 1,354,076      | 655,654        |
| Oregon.....                          | 1,628,600      | 1,602,069      | 775,734        |
| Pennsylvania.....                    | 4,399,000      | 4,327,338      | 2,095,330      |
| Rhode Island.....                    | 1,612,500      | 1,586,232      | 768,065        |
| South Carolina.....                  | 1,742,400      | 1,714,015      | 829,939        |
| South Dakota.....                    | 2,193,500      | 2,157,767      | 1,044,807      |
| Tennessee.....                       | 1,810,000      | 1,780,514      | 862,139        |
| Texas.....                           | 4,397,700      | 4,326,059      | 2,094,711      |
| Utah.....                            | 70,000         | 68,860         | 33,342         |
| Vermont.....                         | 3,168,600      | 3,116,982      | 1,509,266      |
| Virginia.....                        | 6,353,700      | 6,250,195      | 3,026,392      |
| Washington.....                      | 1,189,000      | 1,169,631      | 566,344        |
| West Virginia.....                   | 2,151,000      | 2,115,959      | 1,024,563      |
| Wisconsin.....                       | 2,070,000      | 2,036,279      | 985,982        |
| Wyoming.....                         | 45,000         | 44,267         | 21,434         |
| Puerto Rico.....                     | 430,000        | 422,995        | 204,817        |
| Trust Territories..                  | —              | 30,000         | 14,526         |
| Virgin Islands.....                  | —              | 30,001         | 14,529         |
| Total, Available or<br>Estimate..... | 95,700,000     | 94,381,000     | 45,700,000     |



14-88  
Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Development Insurance Fund

Community Facilities Loan Program - Guaranteed

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | --             | 14,951         | 31,371         |
| Alaska.....                          | --             | 492,129        | 1,032,626      |
| Arizona.....                         | --             | 10,000         | 20,983         |
| Arkansas.....                        | --             | 498,358        | 1,045,696      |
| California.....                      | --             | 500,950        | 1,051,135      |
| Colorado.....                        | --             | 10,000         | 20,983         |
| Connecticut.....                     | --             | 284,064        | 596,047        |
| Delaware.....                        | --             | 10,000         | 20,983         |
| Florida.....                         | --             | 568,128        | 1,192,094      |
| Georgia.....                         | --             | 24,918         | 52,285         |
| Hawaii.....                          | --             | 10,000         | 20,983         |
| Idaho.....                           | --             | 48,590         | 101,956        |
| Illinois.....                        | --             | 498,358        | 1,045,696      |
| Indiana.....                         | --             | 10,000         | 20,983         |
| Iowa.....                            | --             | 318,002        | 667,258        |
| Kansas.....                          | --             | 166,327        | 349,001        |
| Kentucky.....                        | --             | 1,296,803      | 2,721,060      |
| Louisiana.....                       | --             | 619,808        | 1,300,533      |
| Maine.....                           | --             | 1,407,563      | 2,953,466      |
| Maryland.....                        | --             | 243,448        | 510,823        |
| Massachusetts.....                   | --             | 1,547,627      | 3,247,360      |
| Michigan.....                        | --             | 315,959        | 662,972        |
| Minnesota.....                       | --             | 490,883        | 1,030,012      |
| Mississippi.....                     | --             | 373,769        | 784,273        |
| Missouri.....                        | --             | 371,277        | 779,044        |
| Montana.....                         | --             | 49,313         | 103,473        |
| Nebraska.....                        | --             | 174,425        | 365,993        |
| Nevada.....                          | --             | 10,000         | 20,983         |
| New Hampshire.....                   | --             | 310,228        | 650,946        |
| New Jersey.....                      | --             | 409,900        | 860,086        |
| New Mexico.....                      | --             | 114,549        | 240,356        |
| New York.....                        | --             | 1,109,844      | 2,328,767      |
| North Carolina.....                  | --             | 1,943,622      | 4,078,270      |
| North Dakota.....                    | --             | 114,872        | 241,034        |
| Ohio.....                            | --             | 906,763        | 1,902,646      |
| Oklahoma.....                        | --             | 342,995        | 719,701        |
| Oregon.....                          | --             | 405,813        | 851,511        |
| Pennsylvania.....                    | --             | 1,096,139      | 2,300,010      |
| Rhode Island.....                    | --             | 401,801        | 843,092        |
| South Carolina.....                  | --             | 434,170        | 911,012        |
| South Dakota.....                    | --             | 546,574        | 1,146,867      |
| Tennessee.....                       | --             | 451,014        | 946,355        |
| Texas.....                           | --             | 998,373        | 2,094,870      |
| Utah.....                            | --             | 17,443         | 36,600         |
| Vermont.....                         | --             | 789,549        | 1,656,698      |
| Virginia.....                        | --             | 1,583,209      | 3,322,021      |
| Washington.....                      | --             | 296,274        | 621,667        |
| West Virginia.....                   | --             | 535,984        | 1,124,646      |
| Wisconsin.....                       | --             | 515,801        | 1,082,297      |
| Wyoming.....                         | --             | 11,286         | 23,681         |
| Puerto Rico.....                     | --             | 107,147        | 224,825        |
| Trust Territories..                  | --             | 10,000         | 20,983         |
| Virgin Islands.....                  | --             | 10,000         | 20,983         |
| <hr/>                                |                |                |                |
| Total, Available or<br>Estimate..... | --             | 23,829,000     | 50,000,000     |
| <hr/>                                |                |                |                |

14-89  
Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Development Insurance Fund

Business and Industrial Development Loan Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 2,500,000      | 2,250,000      | --             |
| Alaska.....                          | --             | 236,300        | --             |
| Arizona.....                         | 260,000        | 234,000        | --             |
| Arkansas.....                        | --             | 236,300        | --             |
| California.....                      | --             | 236,300        | --             |
| Colorado.....                        | --             | 236,300        | --             |
| Connecticut.....                     | --             | 236,300        | --             |
| Delaware.....                        | --             | 236,300        | --             |
| Florida.....                         | 850,000        | 765,000        | --             |
| Georgia.....                         | 850,000        | 765,000        | --             |
| Hawaii.....                          | --             | 236,300        | --             |
| Idaho.....                           | --             | 236,300        | --             |
| Illinois.....                        | 8,225,000      | 7,402,500      | --             |
| Indiana.....                         | --             | 156,300        | --             |
| Iowa.....                            | 1,999,190      | 1,799,271      | --             |
| Kansas.....                          | 3,160,000      | 2,844,000      | --             |
| Kentucky.....                        | 1,197,000      | 1,077,300      | --             |
| Louisiana.....                       | 600,000        | 540,000        | --             |
| Maine.....                           | 5,800,000      | 5,220,000      | --             |
| Maryland.....                        | --             | 236,300        | --             |
| Massachusetts.....                   | 1,376,000      | 1,238,400      | --             |
| Michigan.....                        | 3,720,000      | 3,348,000      | --             |
| Minnesota.....                       | 3,648,400      | 3,283,560      | --             |
| Mississippi.....                     | 2,500,000      | 2,250,000      | --             |
| Missouri.....                        | 1,495,000      | 1,345,500      | --             |
| Montana.....                         | --             | 236,300        | --             |
| Nebraska.....                        | 1,510,000      | 1,359,000      | --             |
| Nevada.....                          | --             | 236,300        | --             |
| New Hampshire.....                   | --             | 156,300        | --             |
| New Jersey.....                      | 2,000,000      | 1,800,000      | --             |
| New Mexico.....                      | --             | 236,300        | --             |
| New York.....                        | 2,500,000      | 2,250,000      | --             |
| North Carolina.....                  | 9,203,000      | 8,282,700      | --             |
| North Dakota.....                    | --             | 236,300        | --             |
| Ohio.....                            | 1,609,000      | 1,448,100      | --             |
| Oklahoma.....                        | 250,000        | 225,000        | --             |
| Oregon.....                          | --             | 236,300        | --             |
| Pennsylvania.....                    | 2,515,000      | 2,263,500      | --             |
| Rhode Island.....                    | --             | 236,300        | --             |
| South Carolina.....                  | 11,845,000     | 10,660,500     | --             |
| South Dakota.....                    | 2,375,000      | 2,137,500      | --             |
| Tennessee.....                       | 1,250,000      | 1,125,000      | --             |
| Texas.....                           | 3,833,950      | 3,450,555      | --             |
| Utah.....                            | --             | 236,300        | --             |
| Vermont.....                         | --             | 236,300        | --             |
| Virginia.....                        | 400,000        | 360,000        | --             |
| Washington.....                      | --             | 236,300        | --             |
| West Virginia.....                   | 19,925,000     | 18,229,914     | --             |
| Wisconsin.....                       | 1,725,000      | 1,552,500      | --             |
| Wyoming.....                         | --             | 236,300        | --             |
| Puerto Rico.....                     | --             | 236,300        | --             |
| Trust Territories..                  | --             | 236,300        | --             |
| Virgin Islands.....                  | --             | 236,300        | --             |
| Drought & Disaster.                  | --             | 70,000,000     | 70,000,000     |
| Total, Available or<br>Estimate..... | 99,121,540     | 165,018,000 a/ | 70,000,000 a/  |

a/ Carryover available under P.L. 100-387 and P.L. 101-82.



FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Water and Waste Disposal Grants:

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), [~~\$209,395,000~~ \$100,000,000, to remain available until expended, pursuant to section 306(d) of the above Act.

Rural Water and Waste Disposal Grants

|                                |                     |
|--------------------------------|---------------------|
| Appropriation Act, 1990.....   | \$209,395,000       |
| Budget Estimate, 1991.....     | 100,000,000         |
| Decrease in Appropriation..... | <u>-109,395,000</u> |

## Adjustment in 1990

|                                                    |                     |
|----------------------------------------------------|---------------------|
| Appropriation Act, 1990.....                       | \$209,395,000       |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | <u>-1,695,000</u>   |
| Adjusted base for 1990.....                        | 207,700,000         |
| Budget estimate, 1991.....                         | 100,000,000         |
| Decrease from adjusted 1990.....                   | <u>-107,700,000</u> |

PROJECT STATEMENT

(On basis of adjusted appropriation)

| Project                                | 1989<br>Actual | 1990<br>Estimated | Decrease        | 1991<br>Estimated |
|----------------------------------------|----------------|-------------------|-----------------|-------------------|
| Rural water & waste disposal grants:   |                |                   |                 |                   |
| Water supply.....                      | \$ 64,848,560  | \$113,985,760     | -\$58,545,760   | \$55,440,000      |
| Waste disposal.....                    | 49,794,430     | 87,524,780        | -44,954,780     | 42,570,000        |
| Combination - water & waste disposal.. | 1,158,010      | 2,035,460         | -1,045,460      | 990,000           |
| Technical assistance grants.....       | 1,094,000      | 4,154,000         | -3,154,000      | 1,000,000         |
| Total adjusted appropriation.....      | 116,895,000    | 207,700,000       | -107,700,000(1) | 100,000,000       |
| Gramm-Rudman-Hollings Reduction.....   | --             | 1,695,000         |                 |                   |
| Total appropriation...                 | 116,895,000    | 209,395,000       |                 |                   |

The preceding tabulation is based on amounts included in appropriation acts. The following tabulation shows estimated obligations on an available funds basis, including balances brought forward from prior years.



PROJECT STATEMENT  
(On basis of obligations under available funds)

| Project                                           | 1989<br>Actual | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|---------------------------------------------------|----------------|-------------------|-------------------------|-------------------|
| Rural water & waste disposal grants:              |                |                   |                         |                   |
| Water supply.....                                 | \$ 68,526,812  | \$114,697,281     | -\$ 59,257,281          | \$ 55,440,000     |
| Waste disposal.....                               | 51,956,100     | 88,071,126        | -45,501,126             | 42,570,000        |
| Combination - water & waste disposal..            | 1,121,600      | 2,048,166         | -1,058,166              | 990,000           |
| Technical assistance grants.....                  | 1,094,000      | 4,154,000         | -3,154,000              | 1,000,000         |
| Total obligations.....                            | 122,698,512    | 208,970,573       | -108,970,573            | 100,000,000       |
| Recovery of prior year obligations....            | -5,834,110     | --                | --                      | --                |
| Unobligated balance available, start of year..... | -1,239,975     | -1,270,573        | +1,270,573              | --                |
| Unobligated balance available, end of year.....   | 1,270,573      | --                | --                      | --                |
| Total adjusted appropriation.....                 | 116,895,000    | 207,700,000       | -107,700,000            | 100,000,000       |

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

Section 306 of the Consolidated Farm and Rural Development Act, as amended, provides appropriation authority for grants for the development costs of water and waste disposal projects in rural areas.

Development grants may be made to associations, including corporations operating on a nonprofit basis, municipalities, authorities, districts, certain Indian tribes, and similar organizations generally designated as public or quasi-public agencies, that propose projects for development of storage, treatment, purification, or distribution of domestic water or the collection, treatment, or disposal of waste in rural areas. Grants may be made to assist eligible applicants to pay for part of the development cost of such projects if necessary to reduce user charges to a reasonable level. In addition, grants may be made to private nonprofit organizations that have experience in providing technical assistance and training for such purposes as assisting in identifying and evaluating alternative solutions to problems relating to water and waste disposal, preparing applications, and improving operation and maintenance practices at existing plants. Combined loans and grants may be made when the applicant is able to repay part, but not all, of the project costs.

Grants also may be made to supplement other funds borrowed or furnished by applicants to pay development costs. An eligible project must serve a rural area which is not likely to decline in population below that for which the project was designed, and it must be designed and constructed so that adequate capacity will be or can be made available to serve the reasonably foreseeable growth needs of the area.

Water and waste disposal grants may not exceed 75 percent of the development cost of the project. The development cost may include the cost of construction of the proposed facility including rights-of-way, land rights, water rights, engineering fees, and legal fees.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$107,700,000 for rural water and waste disposal grants (\$207,700,000 available in 1990).

Need for Change. The Administration recognizes the need to continue financial assistance to low-income communities to aid their efforts in providing basic public services and in meeting Federal water quality and drinking water standards. In response the Department directed assistance to low- and very low-income communities. The 1991 budget reflects the Administration's continuing concern for rural communities by proposing \$100 million be made available to support water and waste disposal grants primarily for very low-income communities.

Nature of Change. The program level will provide 264 grants in FY 1991.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Water and Waste Disposal Grant Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 3,019,870      | 5,118,582      | 2,415,896      |
| Alaska.....                          | --             | 250,000        | 100,000        |
| Arizona.....                         | 679,700        | 1,152,069      | 1,984,950      |
| Arkansas.....                        | 13,095,200     | 22,195,939     | 10,476,160     |
| California.....                      | 3,146,700      | 5,333,554      | 2,517,360      |
| Colorado.....                        | 581,800        | 986,132        | 465,440        |
| Connecticut.....                     | 1,148,900      | 1,947,348      | 919,120        |
| Delaware.....                        | 584,100        | 990,031        | 467,280        |
| Florida.....                         | 3,964,900      | 6,720,377      | 3,171,920      |
| Georgia.....                         | 1,924,800      | 3,262,474      | 1,539,840      |
| Hawaii.....                          | --             | 250,000        | 100,000        |
| Idaho.....                           | 653,000        | 1,106,814      | 522,400        |
| Illinois.....                        | 3,522,000      | 5,969,676      | 2,817,600      |
| Indiana.....                         | 849,400        | 1,439,705      | 679,520        |
| Iowa.....                            | 2,612,400      | 4,427,933      | 2,089,920      |
| Kansas.....                          | 618,800        | 1,048,846      | 495,040        |
| Kentucky.....                        | 3,489,100      | 5,913,911      | 2,791,280      |
| Louisiana.....                       | 2,614,500      | 4,431,493      | 2,091,600      |
| Maine.....                           | 4,403,900      | 7,464,468      | 3,523,120      |
| Maryland.....                        | 1,026,800      | 1,740,393      | 821,440        |
| Massachusetts.....                   | 3,154,600      | 5,346,945      | 2,523,680      |
| Michigan.....                        | 4,056,000      | 6,874,789      | 3,244,800      |
| Minnesota.....                       | 2,779,700      | 4,711,501      | 2,223,760      |
| Mississippi.....                     | 3,932,100      | 6,664,782      | 3,145,680      |
| Missouri.....                        | 3,055,000      | 5,178,126      | 2,444,000      |
| Montana.....                         | 424,000        | 718,666        | 339,200        |
| Nebraska.....                        | 804,400        | 1,363,432      | 643,520        |
| Nevada.....                          | 958,900        | 1,625,304      | 767,120        |
| New Hampshire.....                   | 1,650,000      | 2,796,697      | 1,320,000      |
| New Jersey.....                      | 1,078,000      | 1,827,175      | 862,400        |
| New Mexico.....                      | 240,700        | 407,979        | 192,560        |
| New York.....                        | 4,131,800      | 7,003,267      | 3,305,440      |
| North Carolina....                   | 6,355,000      | 10,771,519     | 5,084,000      |
| North Dakota.....                    | 505,000        | 855,959        | 404,000        |
| Ohio.....                            | 4,358,000      | 7,386,669      | 3,486,400      |
| Oklahoma.....                        | 2,698,300      | 4,573,531      | 2,158,640      |
| Oregon.....                          | 1,624,600      | 2,753,644      | 1,299,680      |
| Pennsylvania.....                    | 4,960,100      | 8,407,209      | 3,968,080      |
| Rhode Island.....                    | 274,212        | 464,780        | 219,370        |
| South Carolina....                   | 2,415,000      | 4,093,347      | 1,932,000      |
| South Dakota.....                    | 949,500        | 1,609,372      | 759,600        |
| Tennessee.....                       | 3,442,600      | 5,835,095      | 2,754,080      |
| Texas.....                           | 4,803,000      | 8,140,929      | 3,842,400      |
| Utah.....                            | 673,100        | 1,140,883      | 538,480        |
| Vermont.....                         | 800,000        | 1,355,974      | 640,000        |
| Virginia.....                        | 4,056,900      | 6,876,314      | 3,245,520      |
| Washington.....                      | 1,176,900      | 1,994,807      | 941,520        |
| West Virginia.....                   | 2,360,000      | 4,000,123      | 1,888,000      |
| Wisconsin.....                       | 2,260,700      | 3,831,813      | 1,808,560      |
| Wyoming.....                         | 692,250        | 1,173,341      | 553,800        |
| Puerto Rico.....                     | 4,092,280      | 6,936,282      | 3,273,824      |
| Trust Territories.                   | --             | 250,000        | 100,000        |
| Virgin Islands..4.                   | --             | 250,000        | 100,000        |
| Total, Available or<br>Estimate..... | 122,698,512    | 208,970,000    | 100,000,000    |



FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include proposed language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing for Domestic Farm Labor:

For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), [~~\$11,000,000~~] \$10,000,000, to remain available until expended.



Rural Housing for Domestic Farm Labor

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$11,000,000      |
| Budget Estimate, 1991.....     | 10,000,000        |
| Decrease in Appropriation..... | <u>-1,000,000</u> |

## Adjustment in 1990:

|                                                    |                 |
|----------------------------------------------------|-----------------|
| Appropriation Act, 1990.....                       | \$11,000,000    |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | <u>-138,000</u> |
| Adjusted base for 1990.....                        | 10,862,000      |
| Budget estimate, 1991.....                         | 10,000,000      |
| Decrease from adjusted 1990.....                   | <u>-862,000</u> |

PROJECT STATEMENT

(On basis of adjusted appropriation  
and on basis of obligations under available funds)

| Project                        | 1989<br>Actual | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|--------------------------------|----------------|-------------------|-------------------------|-------------------|
| Rural housing for domestic     |                |                   |                         |                   |
| farm labor grants.....         | \$9,734,294    | \$12,936,797      | -\$2,936,797            | \$10,000,000      |
| Unobligated balance available, |                |                   |                         |                   |
| start of year.....             | -450,011       | -2,074,797        | +2,074,797              | --                |
| Recovery of prior year         |                |                   |                         |                   |
| obligations.....               | -1,846,080     | --                | --                      | --                |
| Unobligated balance available, |                |                   |                         |                   |
| end of year.....               | 2,074,797      | --                | --                      | --                |
| Total adjusted                 |                |                   |                         |                   |
| appropriation.....             | 9,513,000      | 10,862,000        | -862,000(1)             | 10,000,000        |
| Gramm-Rudman-Hollings          |                |                   |                         |                   |
| Reduction.....                 | --             | 138,000           |                         |                   |
| Total appropriation.....       | 9,513,000      | 11,000,000        |                         |                   |

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

Under section 516 of the Housing Act of 1949, FmHA is authorized to share with state or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farmworkers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy, and may consist of family unit apartments or dormitory-type units, constructed in an economical manner. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either from private sources or obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rents that do not exceed amounts approved by the Secretary, maintain the housing in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grants unless terminated sooner by Farmers Home Administration. Grant obligations are secured by a mortgage on the housing or other security. In the event of default, the Farmers Home Administration has the option to require repayment of the grant.

Justification of Decrease

- (1) A decrease of 862,000 for rural housing for domestic farm labor (10,862,000 . available in FY 1990).

Need for Change. The administration recognizes the need to continue financial assistance for this program. The reduction of \$1 million in grants is more than offset by the nearly \$5 million increase in the Section 514 Farm Labor Housing Loan Program. The Agency can also provide assistance through its Section 521 Rural Rental Assistance Payment Program.

Nature of Change. The requested amount will provide assistance for 465 housing units in combination with the \$16.3 million requested for the loan program involving the award of 11 grants.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing for Domestic Farm Labor Grant Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| California.....                      | 4,259,480      | 5,138,503      | 4,012,294      |
| Delaware.....                        | --             | 140,000        | 100,000        |
| Florida.....                         | 4,826,534      | 5,818,968      | 4,545,326      |
| Maryland.....                        | --             | 140,000        | 100,000        |
| New Jersey.....                      | 577,000        | 719,529        | 542,380        |
| New York.....                        | --             | 140,000        | 100,000        |
| North Carolina.....                  | --             | 140,000        | 100,000        |
| Oregon.....                          | 71,280         | 140,000        | 100,000        |
| Pennsylvania.....                    | --             | 140,000        | 100,000        |
| Tennessee.....                       | --             | 140,000        | 100,000        |
| Washington.....                      | --             | 140,000        | 100,000        |
| Virginia.....                        | --             | 140,000        | 100,000        |
| Total, Available or<br>Estimate..... | 9,734,294      | 12,937,000     | 10,000,000     |

FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include language for this item as follows (deleted matter enclosed in brackets):

Mutual and Self-Help Housing:

[For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$8,750,000.]

This change eliminates the appropriation language for this program. No appropriation is requested in fiscal year 1991.

Mutual and Self-Help Housing

|                                |                          |
|--------------------------------|--------------------------|
| Appropriation Act, 1990.....   | \$8,750,000              |
| Budget Estimate, 1991.....     | --                       |
| Decrease in Appropriation..... | <u><u>-8,750,000</u></u> |

## Adjustment in 1990

|                                                    |                          |
|----------------------------------------------------|--------------------------|
| Appropriation Act, 1990.....                       | \$8,750,000              |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | <u>-116,000</u>          |
| Adjusted base for 1990.....                        | 8,634,000                |
| Budget estimate, 1991.....                         | --                       |
| Decrease from adjusted 1990.....                   | <u><u>-8,634,000</u></u> |

PROJECT STATEMENT

(On basis of adjusted appropriation and on  
basis of obligations under available funds)

| Project                                           | 1989<br>Actual | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|---------------------------------------------------|----------------|-------------------|-------------------------|-------------------|
| Mutual and self-help<br>housing grants.....       | \$10,200,005   | \$15,493,270      | -\$15,493,270           | --                |
| Recovery of prior year<br>obligations.....        | -516,766       | --                | --                      | --                |
| Unobligated balance<br>available, start of year.. | -8,542,509     | -6,859,270        | +6,859,270              | --                |
| Unobligated balance<br>available, end of year...  | 6,859,270      | --                | --                      | --                |
| Total adjusted<br>appropriation.....              | 8,000,000      | 8,634,000         | -8,634,000(1)           | --                |
| Gramm-Rudman-Hollings<br>Reduction.....           | --             | 116,000           |                         |                   |
| Total appropriation.....                          | 8,000,000      | 8,750,000         |                         |                   |

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under section 523 of the Housing Act of 1949, as amended. Grants are made to local organizations to promote the development of mutual or self-help housing programs under which groups of usually six to ten families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families to guide them in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

This program also provides for contract funds for training to be provided to members and staff of self-help technical assistance grant recipient organizations which sponsor and supervise self-help projects.



Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Mutual and Self-Help Housing Grants

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
|                                      | <hr/>          | <hr/>          | <hr/>          |
| Arizona.....                         | 703,450        | 984,830        | --             |
| Arkansas.....                        | 136,000        | 180,000        | --             |
| California.....                      | 3,980,700      | 5,579,334      | --             |
| Colorado.....                        | 313,370        | 438,718        | --             |
| Florida.....                         | 1,845,749      | 2,590,403      | --             |
| Maryland.....                        | --             | 180,000        | --             |
| Massachusetts.....                   | --             | 180,000        | --             |
| Michigan.....                        | 50,520         | 180,000        | --             |
| Mississippi.....                     | 377,560        | 528,584        | --             |
| Missouri.....                        | --             | 180,000        | --             |
| New Mexico.....                      | 378,690        | 530,166        | --             |
| North Carolina.....                  | --             | 180,000        | --             |
| Ohio.....                            | --             | 180,000        | --             |
| Oklahoma.....                        | 1,779,860      | 2,498,159      | --             |
| Texas.....                           | --             | 180,000        | --             |
| Washington.....                      | 516,290        | 722,806        | --             |
| Wisconsin.....                       | 117,811        | 180,000        | --             |
|                                      | <hr/>          | <hr/>          | <hr/>          |
| Total, Available or<br>Estimate..... | 10,200,000     | 15,493,000     | --             |
|                                      | <hr/>          | <hr/>          | <hr/>          |



## FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-2000), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490o); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444), for administering the loan program authorized by title III A of the Economic Opportunity Act of 1964 (Public Law 88-452 approved August 20, 1964), as amended, and such other programs which Farmers Home Administration has the responsibility for administering, [\$422,934,000] \$447,787,000, together with not more than \$3,000,000 of the charges collected in connection with the insurance of loans as authorized by section 309(a) of the Consolidated Farm and Rural Development Act, as amended, and section 517(i) of the Housing Act of 1949, as amended, or in connection with charges made on borrowers under section 502(a) of the Housing Act of 1949, as amended: Provided, That, in addition, not to exceed \$1,000,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary [field] employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), to meet unusual or heavy workload increases: Provided further, That not to exceed \$500,000 of this appropriation may be used for employment under 5 U.S.C. 3109: [Provided further, That not to exceed \$3,234,000 of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: Provided further, That notwithstanding any other provision of law, \$1,000,000 of this appropriation shall be available solely to carry out the Lower Mississippi Delta Development Act, as incorporated by reference in Public Law 100-460, that all funds appropriated to carry out the purposes of the Lower Mississippi Delta Development Act shall be available for obligation and expenditure through September 30, 1990, or the date of expiration of the Commission, which ever shall occur first, and that notwithstanding section 10(a) of the Delta Development Act, the date for the submission of the Commission's interim report is extended to October 16, 1989: Provided further, That, in addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrowers, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: Provided, That, if the security instrument securing such loan is foreclosed, such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law].

OFFICE OF THE ADMINISTRATOR

[For necessary salaries and expenses of the Office of the Administrator of the Farmers Home Administration, \$600,000: Provided, That no other funds in this act shall be available for this office.]

## FARMERS HOME ADMINISTRATION

## SALARIES AND EXPENSES

|                                      | <u>Appropriation</u> | <u>Transfer from<br/>Rural Housing<br/>&amp; Agricultural<br/>Credit<br/>Insurance<br/>Funds</u> | <u>Transfer from<br/>Agricultural<br/>Credit<br/>Insurance<br/>Fund<br/>for Temporary<br/>Field<br/>Employment</u> | <u>Total</u>       |
|--------------------------------------|----------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------|
| Appropriation Act, 1990:             |                      |                                                                                                  |                                                                                                                    |                    |
| Salaries & Expenses.. ....           | \$422,934,000        | \$3,000,000                                                                                      | \$1,000,000                                                                                                        | \$426,934,000      |
| Office of the Administrator.         | <u>600,000</u>       | <u>--</u>                                                                                        | <u>--</u>                                                                                                          | <u>600,000</u>     |
| Total Appropriation, 1990.           | 423,534,000          | 3,000,000                                                                                        | 1,000,000                                                                                                          | 427,534,000        |
| Budget estimate, 1991.....           | <u>447,787,000</u>   | <u>3,000,000</u>                                                                                 | <u>1,000,000</u>                                                                                                   | <u>451,787,000</u> |
| Increase in<br>appropriation.. ..... | <u>+24,253,000</u>   | <u>--</u>                                                                                        | <u>--</u>                                                                                                          | <u>+24,253,000</u> |

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

| <u>Item of Change</u>                                                                             | <u>1990<br/>Estimated</u> | <u>Increase or<br/>Decrease</u> | <u>1991<br/>Estimated</u> |
|---------------------------------------------------------------------------------------------------|---------------------------|---------------------------------|---------------------------|
| Increased staff years.....                                                                        | --                        | +\$21,875,000                   | +\$21,875,000             |
| Increased operating costs related<br>primarily to leases.....                                     | --                        | +2,378,000                      | +2,378,000                |
| All other expenses for<br>administration of grant<br>and direct and insured<br>loan program ..... | <u>\$427,534,000</u>      | <u>--</u>                       | <u>427,534,000</u>        |
| Total, Available. . . . .                                                                         | <u>427,534,000</u>        | <u>+24,253,000</u>              | <u>451,787,000</u>        |

PROJECT STATEMENT  
(on basis of appropriation)

| Project                                                                  | 1989 Actual    |                | 1990 Estimated |                | Increase<br>or<br>Decrease | 1991 Estimated |                |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------------------|----------------|----------------|
|                                                                          | Amount         | Staff<br>Years | Amount         | Staff<br>Years |                            | Amount         | Staff<br>Years |
| Low-income housing assistance.....                                       | \$233,109,760: | 5,696          | \$243,118,800: | 5,504:         | +\$9,552,200               | \$252,671,000: | 5,553          |
| Moderate income housing assistance.....                                  | 33,517,713:    | 819            | 32,465,900:    | 735:           | +68,100                    | 32,534,000:    | 715            |
| Farm loan programs assistance.....                                       | 124,494,362:   | 3,042          | 130,658,700:   | 2,958:         | +17,904,300                | 148,563,000:   | 3,265          |
| Community programs assistance....                                        | 16,124,516:    | 394            | 17,756,900:    | 402:           | -2,649,900                 | 15,107,000:    | 332            |
| Loans for associations or groups...                                      | 695,728:       | 17             | 706,700:       | 16:            | +21,300                    | 728,000:       | 16             |
| Business and Industry assistance a/.....                                 | 2,373,660:     | 53             | 2,827,000:     | 64:            | -643,000                   | 2,184,000:     | 48             |
| Total, administration of grant and direct and insured loan programs..... | 410,315,739:   | 10,026         | 427,534,000:   | 9,679:         | +24,253,000                | 451,787,000:   | 9,929          |
| Unobligated balance.....                                                 | 6,201,758:     | --             | --             | --             | --                         | --             | --             |
| Total available or estimate.....                                         | 416,517,497:   | 10,026         | 427,534,000:   | 9,679:         | (1)                        | 451,787,000:   | 9,929          |
| Transfer from Rural Housing & Agricultural Credit Insurance Funds.....   | --:            |                | -3,000,000:    |                |                            |                |                |
| Transfer from Agricultural Credit Insurance Fund....                     | -1,000,000:    |                | -1,000,000:    |                |                            |                |                |
| Transfer from Rental Payments....                                        | -183,497:      |                | --:            |                |                            |                |                |
| Total Appropriation :                                                    | 415,334,000:   | 10,026         | 423,534,000:   | 9,579:         |                            |                |                |

a/ Includes Disaster Assistance

EXPLANATION OF PROGRAM

Funds appropriated to this account are used to administer the various loan and grant programs of the Farmers Home Administration, with the exception of Emergency, Watershed, Flood and Resource Conservation and Development loans. Funds are made available from the Agricultural Credit Insurance Fund to provide for the Emergency Disaster Program. An annual allotment is received from the Soil Conservation Service to fund the costs of administering Watershed, Flood, and Resource Conservation and Development loans. Administration of the programs includes the reviewing of applications, making and collecting loans, and extending technical assistance to borrowers.



## JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net increase of \$24,253,000 for the administration of loan and grant programs consisting of :

(a) An increase of \$21,875,000 for financing an increase in staff years.

Need for Change. For fiscal year 1991, the agency proposes an increase in staffing from the 12,825 ceiling in FY 1990 to 13,250 for 1991, an increase of 425 staff years. The ceiling of 12,825 includes the advance hiring of 100 staff years that will take place in fiscal year 1990 and will be funded by transfers from the ACIF. These staff years and the 425 staff year increase in 1991 will provide a total of 525 staff years to be funded by the appropriation in fiscal year 1991. This increase in staff years will cost \$21,875,000.

These additional staff years will be concentrated in three major areas: (1) assigning personnel to handle an estimated increase of 22,000 new farms that will be taken into inventory over a two year period under new farm regulations; (2) assigning personnel exclusively for purposes of increased servicing of those farm and housing borrowers most in need of financial and counseling activities; and (3) supplementing the National Appeals Staff to settle the increasing number of appeals as a result of more complex farm credit servicing activities.

These personnel resources will be concentrated in those areas of greatest need of servicing related to delinquencies, inventory property management, bankruptcy and those loans in litigation.

Nature of Change. The Agency will fund 525 staff year increase in fiscal year 1991.

(b) An increase of \$2,378,000 for increased lease costs.

Need for Change: The Agency's commercial lease costs have increased due to market rate changes and a gradual shift from GSA space to commercial space. The Agency does consider co-located space whenever possible.

Nature of Change: The Agency will fund increased lease costs in FY 1991 primarily out of appropriated funds.

## FARMERS HOME ADMINISTRATION

Positions Filled, Staff-Years and Average  
Grade and Salary by Organizational Unit

| Organizational Unit                 | Positions Filled<br>At End of Year |                 | Staff-<br>Years | Permanent Full-time |                   |
|-------------------------------------|------------------------------------|-----------------|-----------------|---------------------|-------------------|
|                                     | Permanent<br>Full-time             | Other           |                 | Average<br>Grade    | Average<br>Salary |
| <u>FISCAL YEAR 1989:</u>            |                                    |                 |                 |                     |                   |
| National Office                     | 545                                | 36              | 565             | 10.50               | \$34,270          |
| Finance Office and<br>Field Support | 909                                | 43              | 951             | 7.45                | 24,320            |
| State Offices                       | 1,663                              | 129             | 1,776           | 9.35                | 30,510            |
| District Offices                    | 1,321                              | 104             | 1,440           | 9.40                | 30,680            |
| County Offices                      | <u>7,121</u>                       | <u>3,278</u>    | <u>8,291</u>    | <u>7.10</u>         | <u>23,170</u>     |
| Total, FmHA                         | 11,559                             | 3,590 <u>1/</u> | 13,023          | 7.83                | 25,555            |
| <u>FISCAL YEAR 1990: (estimate)</u> |                                    |                 |                 |                     |                   |
| National Office                     | 584                                | 40              | 610             | 10.50               | 35,500            |
| Finance Office and<br>Field Support | 985                                | 60              | 1,040           | 7.50                | 25,360            |
| State Offices                       | 1,700                              | 140             | 1,800           | 9.35                | 31,610            |
| District Offices                    | 1,360                              | 115             | 1,460           | 9.40                | 31,780            |
| County Offices                      | <u>7,709</u>                       | <u>3,645</u>    | <u>8,415</u>    | <u>7.12</u>         | <u>24,070</u>     |
| Total, FmHA                         | 12,338                             | 4,000 <u>1/</u> | 13,325          | 7.86                | 26,575            |
| <u>FISCAL YEAR 1991: (estimate)</u> |                                    |                 |                 |                     |                   |
| National Office                     | 584                                | 40              | 610             | 10.50               | 36,750            |
| Finance Office and<br>Field Support | 985                                | 60              | 1,040           | 7.50                | 26,250            |
| State Offices                       | 1,700                              | 140             | 1,820           | 9.35                | 32,720            |
| District Offices                    | 1,360                              | 115             | 1,480           | 9.40                | 32,890            |
| County Offices                      | <u>7,734</u>                       | <u>3,645</u>    | <u>8,800</u>    | <u>7.12</u>         | <u>24,910</u>     |
| Total, FmHA                         | 12,363                             | 4,000 <u>1/</u> | 13,750          | 7.86                | 27,505            |

1/ Includes non-ceiling employees such as Stay-in-School:  
FY 1989, 284; FY 1990, 300; and FY 1991, 300.

FARMERS HOME ADMINISTRATION  
Salaries and Expenses  
Obligations by Organizational Unit 1/  
(in thousands rounded)

| Organizational Unit                     | Obligations                     |                      |                      |                       |
|-----------------------------------------|---------------------------------|----------------------|----------------------|-----------------------|
|                                         | Personnel Comp.<br>and Benefits | Travel               | All Other            | Total                 |
| <u>FISCAL YEAR 1989:</u>                |                                 |                      |                      |                       |
| National Office                         | \$25,971                        | \$1,386              | \$6,154              | \$33,510              |
| Finance Office and<br>Field Support     | 30,539                          | 908                  | 7,496                | 38,943                |
| State Offices                           | 59,760                          | 6,210                | 13,999               | 79,969                |
| District Offices                        | 49,246                          | 3,450                | 11,351               | 64,047                |
| County Offices                          | <u>225,029</u>                  | <u>7,590</u>         | <u>65,351</u>        | <u>297,971</u>        |
| Total, FmHA                             | 390,545                         | 19,544               | 104,351              | 514,440               |
| Less Allocations from<br>other accounts | <u>-79,366</u>                  | <u>-4,054</u>        | <u>-20,373</u>       | <u>-103,793</u>       |
| Total, S&E, FmHA                        | <u><u>311,179</u></u>           | <u><u>15,490</u></u> | <u><u>83,978</u></u> | <u><u>410,647</u></u> |
| <u>FISCAL YEAR 1990: (estimate)</u>     |                                 |                      |                      |                       |
| National Office                         | 29,200                          | 1,500                | 7,900                | 38,600                |
| Finance Office and<br>Field Support     | 35,300                          | 1,600                | 9,900                | 46,800                |
| State Offices                           | 63,100                          | 6,750                | 16,700               | 86,550                |
| District Offices                        | 52,000                          | 3,750                | 13,500               | 69,250                |
| County Offices                          | <u>238,439</u>                  | <u>8,231</u>         | <u>77,382</u>        | <u>324,052</u>        |
| Total, FmHA                             | 418,039                         | 21,831               | 125,382              | 565,252               |
| Less Allocations from<br>other accounts | <u>-102,202</u>                 | <u>-5,345</u>        | <u>-29,496</u>       | <u>-137,043</u>       |
| Total, S&E, FmHA                        | <u><u>315,837</u></u>           | <u><u>16,486</u></u> | <u><u>95,886</u></u> | <u><u>428,209</u></u> |
| <u>FISCAL YEAR 1991: (estimate)</u>     |                                 |                      |                      |                       |
| National Office                         | 30,500                          | 1,550                | 7,900                | 39,950                |
| Finance Office and<br>Field Support     | 36,800                          | 1,650                | 9,900                | 48,350                |
| State Offices                           | 66,600                          | 7,000                | 16,800               | 90,400                |
| District Offices                        | 55,000                          | 3,900                | 13,600               | 72,500                |
| County Offices                          | <u>261,173</u>                  | <u>8,743</u>         | <u>80,460</u>        | <u>350,376</u>        |
| Total, FmHA                             | 450,073                         | 22,843               | 128,660              | 601,576               |
| Less Allocations from<br>other accounts | <u>-112,358</u>                 | <u>-5,709</u>        | <u>-31,031</u>       | <u>-149,098</u>       |
| Total, S&E, FmHA                        | <u><u>337,715</u></u>           | <u><u>17,134</u></u> | <u><u>97,629</u></u> | <u><u>452,478</u></u> |

1/ Includes reimbursable obligations.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 Actual and Estimated 1990 and 1991

Salaries and Expenses

|                                           | 1989<br>Staff<br>Years | 1989<br>Amount | 1990<br>Staff<br>Years | 1990<br>Amount | 1991<br>Staff<br>Years | 1991<br>Amount |
|-------------------------------------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
| Alabama .....                             | 302                    | 12,034,976     | 293                    | 12,500,783     | 304                    | 13,344,636     |
| Alaska .....                              | 25                     | 996,273        | 27                     | 1,160,787      | 28                     | 1,229,111      |
| Arizona .....                             | 110                    | 4,383,600      | 111                    | 4,732,439      | 115                    | 5,048,135      |
| Arkansas .....                            | 373                    | 14,864,391     | 369                    | 15,759,915     | 383                    | 16,812,486     |
| California .....                          | 256                    | 10,201,834     | 256                    | 10,938,185     | 266                    | 11,676,557     |
| Colorado .....                            | 123                    | 4,901,662      | 123                    | 5,268,187      | 128                    | 5,618,794      |
| Connecticut .....                         | 31                     | 1,235,378      | 31                     | 1,339,370      | 33                     | 1,448,595      |
| Delaware .....                            | 50                     | 1,992,546      | 52                     | 2,232,283      | 54                     | 2,370,429      |
| Florida .....                             | 211                    | 8,408,543      | 208                    | 8,884,485      | 216                    | 9,481,715      |
| Georgia .....                             | 332                    | 13,230,503     | 339                    | 14,465,191     | 352                    | 15,451,684     |
| Hawaii .....                              | 44                     | 1,753,440      | 46                     | 1,964,409      | 48                     | 2,107,048      |
| Idaho .....                               | 169                    | 6,734,804      | 169                    | 7,232,596      | 176                    | 7,725,842      |
| Illinois .....                            | 331                    | 13,190,652     | 333                    | 14,197,317     | 345                    | 15,144,406     |
| Indiana .....                             | 264                    | 10,520,641     | 258                    | 11,027,476     | 268                    | 11,764,350     |
| Iowa .....                                | 382                    | 15,223,049     | 393                    | 16,786,765     | 408                    | 17,909,906     |
| Kansas .....                              | 223                    | 8,886,754      | 223                    | 9,509,524      | 231                    | 10,140,168     |
| Kentucky .....                            | 341                    | 13,589,161     | 348                    | 14,867,002     | 362                    | 15,890,652     |
| Louisiana .....                           | 306                    | 12,194,379     | 304                    | 12,991,885     | 316                    | 13,871,398     |
| Maine .....                               | 179                    | 7,133,313      | 177                    | 7,545,115      | 183                    | 8,033,120      |
| Maryland .....                            | 68                     | 2,709,862      | 68                     | 2,901,967      | 71                     | 3,116,675      |
| Massachusetts .....                       | 77                     | 3,068,520      | 80                     | 3,393,070      | 83                     | 3,643,437      |
| Michigan .....                            | 277                    | 11,038,703     | 279                    | 11,920,389     | 290                    | 12,730,081     |
| Minnesota .....                           | 320                    | 12,752,292     | 332                    | 14,152,672     | 344                    | 15,100,509     |
| Mississippi .....                         | 486                    | 19,367,544     | 508                    | 21,697,965     | 528                    | 23,177,526     |
| Missouri .....                            | 392                    | 15,621,558     | 390                    | 16,652,828     | 405                    | 17,778,216     |
| Montana .....                             | 126                    | 5,021,215      | 136                    | 5,803,935      | 141                    | 6,189,453      |
| Nebraska .....                            | 212                    | 8,448,394      | 228                    | 9,732,752      | 237                    | 10,403,549     |
| Nevada .....                              | 30                     | 1,195,527      | 31                     | 1,339,370      | 33                     | 1,448,595      |
| New Hampshire .....                       | 45                     | 1,793,291      | 47                     | 2,009,054      | 49                     | 2,150,945      |
| New Jersey .....                          | 102                    | 4,064,793      | 108                    | 4,598,502      | 112                    | 4,916,445      |
| New Mexico .....                          | 121                    | 4,821,960      | 114                    | 4,866,376      | 118                    | 5,179,826      |
| New York .....                            | 281                    | 11,198,107     | 287                    | 12,232,909     | 298                    | 13,081,255     |
| North Carolina ..                         | 479                    | 19,088,587     | 478                    | 20,403,239     | 496                    | 21,772,827     |
| North Dakota .....                        | 239                    | 9,524,368      | 236                    | 10,089,917     | 245                    | 10,754,723     |
| Ohio .....                                | 262                    | 10,440,939     | 252                    | 10,759,602     | 262                    | 11,500,969     |
| Oklahoma .....                            | 315                    | 12,553,038     | 313                    | 13,349,050     | 325                    | 14,266,470     |
| Oregon .....                              | 130                    | 5,180,619      | 136                    | 5,803,935      | 141                    | 6,189,453      |
| Pennsylvania .....                        | 260                    | 10,361,237     | 264                    | 11,250,704     | 274                    | 12,027,731     |
| Rhode Island ..                           | 16                     | 637,615        | 17                     | 714,330        | 17                     | 746,246        |
| South Carolina .....                      | 254                    | 10,122,132     | 268                    | 11,429,287     | 278                    | 12,203,319     |
| South Dakota .....                        | 227                    | 9,046,157      | 244                    | 10,402,437     | 253                    | 11,105,898     |
| Tennessee .....                           | 351                    | 13,987,670     | 358                    | 15,268,813     | 371                    | 16,285,724     |
| Texas .....                               | 567                    | 22,595,468     | 579                    | 24,689,224     | 600                    | 26,338,098     |
| Utah .....                                | 106                    | 4,224,197      | 110                    | 4,687,793      | 114                    | 5,004,239      |
| Vermont .....                             | 88                     | 3,506,880      | 86                     | 3,660,943      | 89                     | 3,906,818      |
| Virginia .....                            | 275                    | 10,959,001     | 277                    | 11,831,098     | 288                    | 12,642,287     |
| Washington .....                          | 143                    | 5,698,681      | 144                    | 6,161,100      | 150                    | 6,584,524      |
| West Virginia .....                       | 162                    | 6,455,848      | 161                    | 6,875,430      | 167                    | 7,330,771      |
| Wisconsin .....                           | 304                    | 12,114,678     | 306                    | 13,036,530     | 317                    | 13,915,295     |
| Wyoming .....                             | 85                     | 3,387,328      | 85                     | 3,616,298      | 88                     | 3,862,921      |
| Puerto Rico .....                         | 202                    | 8,049,884      | 222                    | 9,464,878      | 230                    | 10,096,271     |
| Trust Territories ..                      | 25                     | 996,273        | 28                     | 1,205,433      | 29                     | 1,273,008      |
| Virgin Islands ..                         | 12                     | 478,211        | 10                     | 446,457        | 11                     | 482,865        |
| Subtotal .....                            | 11,091                 | 441,986,475    | 11,245                 | 479,852,000    | 11,670                 | 512,276,000    |
| National Office .....                     | 556                    | 33,509,952     | 590                    | 38,600,000     | 590                    | 39,950,000     |
| Finance Office and<br>Field Support ..... | 924                    | 38,943,472     | 990                    | 46,800,000     | 990                    | 49,350,000     |
| Total, Available or<br>Estimate .....     | 12,571                 | 514,439,899    | 12,825                 | 565,252,000    | 13,250                 | 601,576,000    |

1/ Does not include non-ceiling staff-years.





FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include proposed changes in the language of this item as follows (deleted matter enclosed in brackets):

[Rural Community Fire Protection Grants]:

[For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), \$3,091,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.]

This change eliminates the appropriation language for this program. No funds are requested for fiscal year 1991.

Rural Community Fire Protection Grants

|                              |                   |
|------------------------------|-------------------|
| Appropriation Act, 1990..... | \$3,091,000       |
| Budget Estimate, 1991.....   | --                |
| Decrease in Appropriation... | <u>-3,091,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)

| Project                                   | : 1989<br>Actual | : 1990<br>Estimated | : Decrease    | : 1991<br>Estimated |
|-------------------------------------------|------------------|---------------------|---------------|---------------------|
| Rural community fire protection grants... | \$3,056,976      | \$3,091,000         | -\$3,091,000  | --                  |
| Unobligated balance lapsing....           | 34,024           | --                  | --            | --                  |
| Total appropriation...                    | 3,091,000        | 3,091,000           | -3,091,000(1) | --                  |

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local fire-fighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$3,091,000 for the rural community fire protection grants (\$3,091,000 available in 1990).

Need for Change. This program is proposed for termination in 1991. Organizations eligible for fire protection grants may apply for either FmHA community facility direct loan or a FmHA guaranteed loan through the private sector.

Nature of Change. No funds are proposed for this program in FY 1991.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Community Fire Protection Grants

|                                 | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|---------------------------------|----------------|----------------|----------------|
| Alabama.....                    | 48,400         | 48,944         | --             |
| Alaska.....                     | 66,925         | 67,677         | --             |
| Arizona.....                    | 46,500         | 47,023         | --             |
| Arkansas.....                   | 49,400         | 49,955         | --             |
| California.....                 | 102,000        | 103,147        | --             |
| Colorado.....                   | 58,900         | 59,562         | --             |
| Connecticut.....                | 21,850         | 22,096         | --             |
| Delaware.....                   | 16,150         | 16,332         | --             |
| Florida.....                    | 64,600         | 65,326         | --             |
| Georgia.....                    | 57,900         | 58,551         | --             |
| Hawaii.....                     | 17,500         | 17,697         | --             |
| Idaho.....                      | 31,649         | 32,005         | --             |
| Illinois.....                   | 115,900        | 117,203        | --             |
| Indiana.....                    | 79,800         | 80,697         | --             |
| Iowa.....                       | 104,500        | 105,675        | --             |
| Kansas.....                     | 105,000        | 106,181        | --             |
| Kentucky.....                   | 53,200         | 53,798         | --             |
| Louisiana.....                  | 73,500         | 74,326         | --             |
| Maine.....                      | 23,750         | 24,017         | --             |
| Maryland.....                   | 33,250         | 33,624         | --             |
| Massachusetts.....              | 24,700         | 24,978         | --             |
| Michigan.....                   | 84,550         | 85,501         | --             |
| Minnesota.....                  | 118,750        | 120,085        | --             |
| Mississippi.....                | 48,400         | 48,944         | --             |
| Missouri.....                   | 87,400         | 88,383         | --             |
| Montana.....                    | 55,350         | 55,972         | --             |
| Nebraska.....                   | 80,400         | 81,304         | --             |
| Nevada.....                     | 37,000         | 37,416         | --             |
| New Hampshire.....              | 17,100         | 17,292         | --             |
| New Jersey.....                 | 34,200         | 34,585         | --             |
| New Mexico.....                 | 28,800         | 29,124         | --             |
| New York.....                   | 81,700         | 82,619         | --             |
| North Carolina.....             | 69,300         | 70,079         | --             |
| North Dakota.....               | 79,000         | 79,888         | --             |
| Ohio.....                       | 90,250         | 91,265         | --             |
| Oklahoma.....                   | 59,800         | 60,472         | --             |
| Oregon.....                     | 44,550         | 45,051         | --             |
| Pennsylvania.....               | 91,200         | 92,225         | --             |
| Rhode Island.....               | 13,300         | 13,450         | --             |
| South Carolina.....             | 44,600         | 45,101         | --             |
| South Dakota.....               | 74,900         | 75,742         | --             |
| Tennessee.....                  | 55,100         | 55,720         | --             |
| Texas.....                      | 156,700        | 158,462        | --             |
| Utah.....                       | 29,524         | 29,856         | --             |
| Vermont.....                    | 18,050         | 18,253         | --             |
| Virginia.....                   | 47,500         | 48,034         | --             |
| Washington.....                 | 49,822         | 50,382         | --             |
| West Virginia.....              | 30,400         | 30,742         | --             |
| Wisconsin.....                  | 77,900         | 78,776         | --             |
| Wyoming.....                    | 23,800         | 24,068         | --             |
| Puerto Rico.....                | 13,300         | 13,450         | --             |
| Trust Territories...            | 30,000         | 30,337         | --             |
| Virgin Islands.....             | 13,300         | 13,450         | --             |
| Administrative Expenses         | 75,312         | 76,159         | --             |
| Total, Available or<br>Estimate | 3,056,632      | 3,091,000      | --             |



## FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Very Low-Income Housing Repair Grants:

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, [~~\$12,500,000~~] \$10,000,000, to remain available until expended.



Very Low-Income Housing Repair Grants

|                                |                    |
|--------------------------------|--------------------|
| Appropriation Act, 1990.....   | \$12,500,000       |
| Budget Estimate, 1991.....     | 10,000,000         |
| Decrease in Appropriation..... | <u>- 2,500,000</u> |

PROJECT STATEMENT

(On basis of appropriation  
and on basis of obligations under available funds)

| Project                                                | 1989<br>Actual | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|--------------------------------------------------------|----------------|-------------------|-------------------------|-------------------|
| Very low-income housing<br>repair grants.....          | \$12,499,939   | \$12,500,061      | -\$2,500,061            | \$10,000,000      |
| Unobligated balance avail-<br>able, start of year..... | --             | -61               | +61                     | --                |
| Unobligated balance avail-<br>able, end of year.....   | 61             | --                | --                      | --                |
| Total appropriation.....                               | 12,500,000     | 12,500,000        | -2,500,000(1)           | 10,000,000        |

Staff years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under section 504 of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants to very low-income elderly owner-occupants to make necessary repairs to improve and modernize their dwellings in order to remove safety and health hazards.

The grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, installing screens, repairing or providing structural supports, or making similar repairs, additions, or improvements including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan. The Agency has determined that a grant cannot exceed \$5,000; and a grant and loan combination cannot exceed \$7,500.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$2,500,000 for the very low-income housing repair grants (\$12,500,000 available in 1990).

Need for Change. It is in the interest of the Agency to continue assisting low- and very low-income elderly families. The reduced level requested is partially offset by the \$11.1 million in section 504 low-interest loans at the same level as the previous year. In addition, the almost \$190 million requested for the Rural Housing Voucher Program will provide eligible families with alternate housing choices that could prove more suitable to a wide number of elderly families. Also, States and private non-profit organizations provide similar programs.

Nature of Change. At this level FmHA would still provide 2,720 grants to eligible very low-income elderly applicants.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1988 and Estimated 1989 and 1990

Very-Low Income Housing Repair Grant Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 491,870        | 482,033        | 390,446        |
| Alaska.....                          | --             | 40,000         | 32,400         |
| Arizona.....                         | 127,650        | 125,097        | 101,329        |
| Arkansas.....                        | 225,730        | 221,215        | 179,184        |
| California.....                      | 279,170        | 273,587        | 221,605        |
| Colorado.....                        | 72,600         | 71,148         | 57,630         |
| Connecticut.....                     | 13,360         | 40,000         | 32,400         |
| Delaware.....                        | 36,660         | 35,927         | 29,101         |
| Florida.....                         | 205,540        | 201,429        | 163,158        |
| Georgia.....                         | 443,500        | 434,630        | 320,800        |
| Hawaii.....                          | 5,000          | 40,000         | 32,400         |
| Idaho.....                           | 49,860         | 48,863         | 39,579         |
| Illinois.....                        | 335,380        | 328,672        | 266,225        |
| Indiana.....                         | 201,840        | 197,803        | 160,221        |
| Iowa.....                            | 307,170        | 301,027        | 243,832        |
| Kansas.....                          | 190,740        | 186,925        | 151,409        |
| Kentucky.....                        | 411,140        | 402,917        | 326,363        |
| Louisiana.....                       | 548,900        | 537,922        | 435,717        |
| Maine.....                           | 217,600        | 213,248        | 172,731        |
| Maryland.....                        | 130,270        | 127,665        | 103,408        |
| Massachusetts.....                   | 109,640        | 107,447        | 87,032         |
| Michigan.....                        | 373,770        | 366,295        | 296,699        |
| Minnesota.....                       | 325,470        | 318,961        | 258,358        |
| Mississippi.....                     | 424,620        | 416,128        | 305,813        |
| Missouri.....                        | 354,380        | 347,292        | 281,307        |
| Montana.....                         | 6,210          | 40,000         | 32,400         |
| Nebraska.....                        | 91,160         | 89,337         | 72,363         |
| Nevada.....                          | 23,130         | 40,000         | 32,400         |
| New Hampshire.....                   | 65,930         | 64,611         | 52,335         |
| New Jersey.....                      | 49,000         | 48,020         | 38,896         |
| New Mexico.....                      | 151,020        | 148,000        | 119,880        |
| New York.....                        | 424,770        | 416,275        | 305,932        |
| North Carolina.....                  | 627,170        | 614,627        | 497,848        |
| North Dakota.....                    | 58,000         | 56,840         | 46,040         |
| Ohio.....                            | 506,620        | 496,488        | 402,155        |
| Oklahoma.....                        | 257,430        | 252,281        | 204,348        |
| Oregon.....                          | 206,380        | 202,252        | 163,824        |
| Pennsylvania.....                    | 697,040        | 683,099        | 522,061        |
| Rhode Island.....                    | 15,530         | 40,000         | 32,400         |
| South Carolina.....                  | 382,560        | 374,909        | 303,676        |
| South Dakota.....                    | 111,190        | 108,966        | 88,263         |
| Tennessee.....                       | 513,970        | 503,691        | 407,989        |
| Texas.....                           | 857,629        | 840,476        | 680,786        |
| Utah.....                            | 55,230         | 54,125         | 43,842         |
| Vermont.....                         | 89,090         | 87,308         | 70,720         |
| Virginia.....                        | 435,900        | 427,182        | 346,017        |
| Washington.....                      | 116,230        | 113,905        | 92,263         |
| West Virginia.....                   | 199,830        | 195,833        | 158,625        |
| Wisconsin.....                       | 328,090        | 321,528        | 260,438        |
| Wyoming.....                         | 8,990          | 40,000         | 32,400         |
| Puerto Rico.....                     | 251,980        | 252,676        | 204,668        |
| Trust Territories..                  | 83,000         | 81,340         | 65,885         |
| Virgin Islands.....                  | 5,000          | 40,000         | 32,400         |
| Total, Available or<br>Estimate..... | 12,499,939     | 12,500,000     | 10,000,000     |



FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include proposed changes in the language of this item as follows (deleted matter enclosed in brackets):

[Rural Development Grants]:

[For grants authorized under section 310(B)(c) (7 U.S.C. 1932) to any qualified public or private nonprofit organization, \$16,500,000: Provided, That \$500,000 shall be available for grants to qualified nonprofit organizations to provide technical assistance for rural communities needing improved passenger transportation systems or facilities in order to promote economic development: Provided further, That \$1,250,000 shall be available for grants to statewide private, non-profit public television systems in predominately rural States, to provide information and services on rural economics and agriculture.]

This change eliminates the appropriation language for this program. No funds are requested for fiscal year 1991.

Rural Development Grants

|                               |                    |
|-------------------------------|--------------------|
| Appropriation Act, 1990 ..... | \$16,500,000       |
| Budget Estimate, 1991.....    | --                 |
| Decrease in Appropriation.... | <u>-16,500,000</u> |

## Adjustments in 1990

|                                                  |                |
|--------------------------------------------------|----------------|
| Appropriation Act, 1990.....                     | \$16,500,000   |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177) .. | <u>-94,000</u> |

|                                          |                    |
|------------------------------------------|--------------------|
| Adjusted base for 1990.....              | 16,406,000         |
| Budget Estimate, Current Law, 1991. .... | --                 |
| Decrease over adjusted 1990.....         | <u>-16,406,000</u> |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Project                              | 1989<br>Actual | 1990<br>Estimated | Decrease       | 1991<br>Estimated |
|--------------------------------------|----------------|-------------------|----------------|-------------------|
| Rural development grants.....        | \$6,500,000    | \$16,406,000      | -\$16,406,000  | --                |
| Total adjusted appropriation. ....   | 6,500,000      | 16,406,000        | -16,406,000(1) | --                |
| Gramm-Rudman-Hollings Reduction..... | --             | +94,000           | --             | --                |
| Total Appropriation...               | 6,500,000      | 16,500,000        | -16,406,000    | --                |

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This grant program is authorized under section 310B(c) of the Consolidated Farm and Rural Development Act, as amended. Grants may be made to any qualified public or private nonprofit organization for measures designed to facilitate development of private business enterprises, including the development, construction or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, technical assistance, necessary start up capital, establishment of revolving loan funds, refinancing, services and fees. Grants may not exceed \$50,000,000 annually and no single grant may exceed \$500,000.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$16,406,000 for the rural development grants (\$16,406,000 available in 1990).

Need for Change. This program is proposed for termination. Public and private nonprofit organizations eligible to be assisted under this grant program may request assistance under other FmHA loan and grant programs, as well as from the private sector.

Nature of Change. No appropriation is requested for FY 1991.



Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

## Rural Development Grants

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | --             | 115,100        | --             |
| Alaska.....                          | 425,000        | 912,475        | --             |
| Arizona.....                         | --             | 115,100        | --             |
| Arkansas.....                        | 235,000        | 504,545        | --             |
| California.....                      | 225,000        | 483,075        | --             |
| Colorado.....                        | 150,000        | 322,050        | --             |
| Connecticut.....                     | --             | 115,100        | --             |
| Delaware.....                        | --             | 115,100        | --             |
| Florida.....                         | 452,100        | 970,659        | --             |
| Georgia.....                         | 100,000        | 214,700        | --             |
| Hawaii.....                          | --             | 115,100        | --             |
| Idaho.....                           | 56,560         | 121,434        | --             |
| Illinois.....                        | 150,000        | 322,050        | --             |
| Indiana.....                         | --             | 115,100        | --             |
| Iowa.....                            | 400,000        | 858,800        | --             |
| Kansas.....                          | 150,000        | 322,050        | --             |
| Kentucky.....                        | 300,000        | 644,100        | --             |
| Louisiana.....                       | 312,000        | 669,864        | --             |
| Maine.....                           | 124,980        | 268,332        | --             |
| Maryland.....                        | 500,000        | 1,273,421      | --             |
| Massachusetts.....                   | 125,000        | 268,375        | --             |
| Michigan.....                        | 132,000        | 283,404        | --             |
| Minnesota.....                       | 100,000        | 214,700        | --             |
| Mississippi.....                     | 212,500        | 456,237        | --             |
| Missouri.....                        | 75,000         | 161,025        | --             |
| Montana.....                         | --             | 115,100        | --             |
| Nebraska.....                        | 100,000        | 214,700        | --             |
| Nevada.....                          | 57,300         | 123,023        | --             |
| New Hampshire.....                   | --             | 115,100        | --             |
| New Jersey.....                      | --             | 115,100        | --             |
| New Mexico.....                      | --             | 115,100        | --             |
| New York.....                        | 35,000         | 115,100        | --             |
| North Carolina.....                  | 300,000        | 644,100        | --             |
| North Dakota.....                    | 100,000        | 214,700        | --             |
| Ohio.....                            | 50,000         | 107,350        | --             |
| Oklahoma.....                        | 240,000        | 515,280        | --             |
| Oregon.....                          | 200,000        | 429,400        | --             |
| Pennsylvania.....                    | 125,000        | 268,375        | --             |
| Rhode Island.....                    | --             | 115,100        | --             |
| South Carolina.....                  | 270,000        | 579,690        | --             |
| South Dakota.....                    | --             | 115,100        | --             |
| Tennessee.....                       | 365,000        | 783,655        | --             |
| Texas.....                           | --             | 115,100        | --             |
| Utah.....                            | --             | 115,100        | --             |
| Vermont.....                         | 100,000        | 214,700        | --             |
| Virginia.....                        | 42,560         | 115,100        | --             |
| Washington.....                      | --             | 115,100        | --             |
| West Virginia.....                   | 90,000         | 193,230        | --             |
| Wisconsin.....                       | 200,000        | 429,400        | --             |
| Wyoming.....                         | --             | 115,100        | --             |
| Puerto Rico.....                     | --             | 115,100        | --             |
| Trust Territories..                  | --             | 115,100        | --             |
| Virgin Islands.....                  | --             | 115,100        | --             |
| Total, Available or<br>Estimate..... | 6,500,000      | 16,406,000     | --             |



FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Housing Preservation Grants:

For grants for rural housing preservation as authorized by section 552 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 99-181),  
[\$19,140,000] \$15,000,000.

Rural Housing Preservation Grants

|                                |                   |
|--------------------------------|-------------------|
| Appropriation Act, 1990.....   | \$19,140,000      |
| Budget Estimate, 1991.....     | 15,000,000        |
| Decrease in Appropriation..... | <u>-4,140,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)

| Project                                | : 1989<br>: Actual | : 1990<br>: Estimated | : Decrease       | : 1991<br>: Estimated |
|----------------------------------------|--------------------|-----------------------|------------------|-----------------------|
| Rural housing preservation grants..... | : \$19,140,000:    | : \$19,140,000:       | : -\$4,140,000   | : \$15,000,000        |
| Total appropriation.....               | : 19,140,000:      | : 19,140,000:         | : -4,140,000(1): | : 15,000,000          |

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible private nonprofit groups, Indian tribes, and government agencies for the rehabilitation of single family housing owned by low-income and very low-income families and the rehabilitation of rental and cooperative housing for low and very low-income families.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$4,140,000 for rural housing preservation grants (\$19,140,000 available in FY 1990).

Need for Change. The Administration believes that the requested program level would have a minimal effect on the Agency's ability to provide housing assistance for low or very low-income families while still helping to reduce the Federal outlays.

Nature of Change. The amount requested should provide assistance to rehabilitate 3,255 units through 114 grants.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Housing Preservation Grant Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | 543,000        | 515,850        | 412,680        |
| Alaska.....                          | --             | 175,000        | 140,000        |
| Arizona.....                         | 249,000        | 236,550        | 189,240        |
| Arkansas.....                        | 396,000        | 376,200        | 300,960        |
| California.....                      | 621,470        | 590,397        | 472,317        |
| Colorado.....                        | 200,000        | 190,000        | 152,000        |
| Connecticut.....                     | --             | 175,000        | 140,000        |
| Delaware.....                        | 200,000        | 190,000        | 152,000        |
| Florida.....                         | 398,000        | 378,100        | 302,480        |
| Georgia.....                         | 446,250        | 423,938        | 339,150        |
| Hawaii.....                          | 145,000        | 175,000        | 140,000        |
| Idaho.....                           | 368,000        | 349,600        | 279,680        |
| Illinois.....                        | 415,000        | 394,250        | 315,400        |
| Indiana.....                         | 438,900        | 416,955        | 333,564        |
| Iowa.....                            | 300,000        | 285,000        | 228,000        |
| Kansas.....                          | 371,600        | 353,020        | 282,416        |
| Kentucky.....                        | 628,000        | 600,000        | 338,960        |
| Louisiana.....                       | 493,010        | 468,360        | 374,688        |
| Maine.....                           | 289,000        | 274,550        | 219,640        |
| Maryland.....                        | 224,000        | 212,800        | 170,240        |
| Massachusetts.....                   | 400,000        | 380,000        | 304,000        |
| Michigan.....                        | 477,700        | 453,815        | 363,052        |
| Minnesota.....                       | 421,000        | 399,950        | 319,960        |
| Mississippi.....                     | 500,000        | 475,000        | 380,000        |
| Missouri.....                        | 409,000        | 388,550        | 310,840        |
| Montana.....                         | 264,000        | 250,800        | 200,640        |
| Nebraska.....                        | 300,000        | 285,000        | 228,000        |
| Nevada.....                          | 120,000        | 125,000        | 100,000        |
| New Hampshire.....                   | 163,000        | 175,000        | 140,000        |
| New Jersey.....                      | 330,000        | 313,500        | 250,800        |
| New Mexico.....                      | 232,000        | 220,400        | 176,320        |
| New York.....                        | 450,000        | 427,500        | 342,000        |
| North Carolina.....                  | 827,380        | 789,411        | 490,489        |
| North Dakota.....                    | 228,000        | 216,600        | 173,280        |
| Ohio.....                            | 664,400        | 634,580        | 366,624        |
| Oklahoma.....                        | 507,570        | 482,192        | 385,753        |
| Oregon.....                          | 254,000        | 241,300        | 193,040        |
| Pennsylvania.....                    | 589,000        | 559,550        | 447,640        |
| Rhode Island.....                    | --             | 175,000        | 140,000        |
| South Carolina.....                  | 526,000        | 499,700        | 399,760        |
| South Dakota.....                    | 181,000        | 171,950        | 137,560        |
| Tennessee.....                       | 516,000        | 490,200        | 392,160        |
| Texas.....                           | 815,000        | 777,650        | 481,080        |
| Utah.....                            | 200,000        | 190,000        | 152,000        |
| Vermont.....                         | 298,000        | 283,100        | 226,480        |
| Virginia.....                        | 622,710        | 591,575        | 473,260        |
| Washington.....                      | 391,280        | 371,716        | 297,373        |
| West Virginia.....                   | 410,980        | 390,431        | 312,345        |
| Wisconsin.....                       | 347,000        | 329,650        | 263,720        |
| Wyoming.....                         | 178,750        | 169,813        | 135,850        |
| Puerto Rico.....                     | 790,000        | 750,500        | 600,400        |
| Trust Territories..                  | --             | 175,000        | 140,000        |
| Virgin Islands.....                  | --             | 175,000        | 392,160        |
|                                      |                |                |                |
| Total, Available or<br>Estimate..... | 19,140,000     | 19,140,000     | 15,000,000     |





FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural [Rental Assistance Payments] Housing Voucher Program:

For necessary expenses to operate a housing voucher program under section 8(o) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f(o)), \$189,928,000, to be administered by the Secretary of Agriculture.

This change proposes new appropriation language for funding a rural housing voucher program.

Rural Housing Voucher Program

|                                |                     |
|--------------------------------|---------------------|
| Appropriation Act, 1990.....   | --                  |
| Budget Estimate, 1991.....     | \$189,928,000       |
| Increase in Appropriation..... | <u>+189,928,000</u> |

PROJECT STATEMENT  
(On basis of appropriation)

| Project                       | : 1989<br>: Actual | : 1990<br>: Estimated | : Increase        | : 1991<br>: Estimated |
|-------------------------------|--------------------|-----------------------|-------------------|-----------------------|
| Rural housing vouchers.....   | --                 | --                    | +\$189,928,000    | \$189,928,000         |
| Rental assistance payments... | --                 | --                    | --                | --                    |
| Total appropriation.....      | --                 | --                    | +\$189,928,000(1) | \$189,928,000         |

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This program is authorized under section 8(o) of the United States Housing Act of 1937, as amended. FmHA proposes a rural housing voucher program based on the same payment standards and regulations set by the Department of Housing and Urban Development (HUD) for its section 8 voucher program. This voucher program will provide housing assistance payments to individuals and families based on the difference between what the family can afford for housing according to their income and the cost of rental housing in the community. As operated by HUD, the assistance is provided through a public housing agency (PHA) which determines the amount of the voucher by comparing the families' incomes to local rents. Assistance will be provided monthly, with annual renewals for up to five years.

This appropriation account will also continue to disburse funds for new construction rental assistance units obligated in prior years.

JUSTIFICATION OF INCREASE

- (1) An increase of \$189,928,000 for a rural housing voucher program (zero available in FY 1990).

Need for Change. Housing affordability and quality are two of the most important problems facing low income, rural households. At present, the Agency is supposed to build enough housing units to solve both problems. However, this is not a cost effective strategy. In some areas, renters can obtain suitable housing. But with very low incomes, many renters are unable to afford the monthly rent. In these cases, the household needs rental assistance, not a new apartment.

Nature of Change. FmHA currently provides payments for rural households unable to afford rents at section 515 financed housing developments. The new voucher program is different only in that assistance is not tied to any one apartment complex. The Budget includes vouchers for 8,000 housing units which may be used for any of the area's available housing.

Farmers Home Administration  
1989 and Estimated 1990 and 1991  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
Rural Housing Voucher Program

|                                      | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|--------------------------------------|----------------|----------------|----------------|
| Alabama.....                         | --             | --             | 6,000,000      |
| Alaska.....                          | --             | --             | 800,000        |
| Arizona.....                         | --             | --             | 2,300,000      |
| Arkansas.....                        | --             | --             | 4,500,000      |
| California.....                      | --             | --             | 6,500,000      |
| Colorado.....                        | --             | --             | 1,500,000      |
| Connecticut.....                     | --             | --             | 950,000        |
| Delaware.....                        | --             | --             | 400,000        |
| Florida.....                         | --             | --             | 4,750,000      |
| Georgia.....                         | --             | --             | 6,500,000      |
| Hawaii.....                          | --             | --             | 700,000        |
| Idaho.....                           | --             | --             | 1,300,000      |
| Illinois.....                        | --             | --             | 4,750,000      |
| Indiana.....                         | --             | --             | 4,450,000      |
| Iowa.....                            | --             | --             | 2,950,000      |
| Kansas.....                          | --             | --             | 2,200,000      |
| Kentucky.....                        | --             | --             | 9,000,000      |
| Louisiana.....                       | --             | --             | 5,500,000      |
| Maine.....                           | --             | --             | 1,900,000      |
| Maryland.....                        | --             | --             | 1,900,000      |
| Massachusetts.....                   | --             | --             | 1,750,000      |
| Michigan.....                        | --             | --             | 5,500,000      |
| Minnesota.....                       | --             | --             | 3,650,000      |
| Mississippi.....                     | --             | --             | 5,500,000      |
| Missouri.....                        | --             | --             | 4,750,000      |
| Montana.....                         | --             | --             | 1,050,000      |
| Nebraska.....                        | --             | --             | 1,450,000      |
| Nevada.....                          | --             | --             | 300,000        |
| New Hampshire.....                   | --             | --             | 950,000        |
| New Jersey.....                      | --             | --             | 1,350,000      |
| New Mexico.....                      | --             | --             | 2,050,000      |
| New York.....                        | --             | --             | 5,500,000      |
| North Carolina.....                  | --             | --             | 12,539,000     |
| North Dakota.....                    | --             | --             | 900,000        |
| Ohio.....                            | --             | --             | 6,500,000      |
| Oklahoma.....                        | --             | --             | 350,000        |
| Oregon.....                          | --             | --             | 2,400,000      |
| Pennsylvania.....                    | --             | --             | 9,500,000      |
| Rhode Island.....                    | --             | --             | 200,000        |
| South Carolina.....                  | --             | --             | 5,000,000      |
| South Dakota.....                    | --             | --             | 1,250,000      |
| Tennessee.....                       | --             | --             | 6,500,000      |
| Texas.....                           | --             | --             | 13,539,000     |
| Utah.....                            | --             | --             | 750,000        |
| Vermont.....                         | --             | --             | 800,000        |
| Virginia.....                        | --             | --             | 6,000,000      |
| Washington.....                      | --             | --             | 2,750,000      |
| West Virginia.....                   | --             | --             | 4,000,000      |
| Wisconsin.....                       | --             | --             | 3,850,000      |
| Wyoming.....                         | --             | --             | 550,000        |
| Puerto Rico.....                     | --             | --             | 9,500,000      |
| Trust Territories..                  | --             | --             | 200,000        |
| Virgin Islands.....                  | --             | --             | 200,000        |
| Total, Available or<br>Estimate..... | --             | --             | 189,928,000    |





## FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include proposed changes in the language of this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Loan Fund:

For direct loans to intermediary borrowers, [~~\$19,500,000~~] \$30,000,000, as authorized under the Rural Development Loan Fund (42 U.S.C. 9812(a)), to be available from funds in the Rural Development Loan Fund, \$2,000,000 and from funds appropriated to this account, [~~\$17,500,000~~] \$28,000,000.

Rural Development Loan Fund

|                               |                    |
|-------------------------------|--------------------|
| Program Loan Level, 1990..... | \$19,500,000       |
| Program Loan Level, 1991..... | 30,000,000         |
| Increase in Loan Level.....   | <u>+10,500,000</u> |

## Adjustment in 1990

|                                                    |                 |                    |
|----------------------------------------------------|-----------------|--------------------|
| Program Loan Level, 1990.....                      | \$19,500,000    |                    |
| Gramm-Rudman-Hollings Reduction (P.L. 99-177)..... | <u>-203,000</u> |                    |
| Adjusted base for 1990.....                        |                 | 19,297,000         |
| Budget Estimate, 1991.....                         |                 | 30,000,000         |
| Increase over adjusted 1990.....                   |                 | <u>+10,703,000</u> |

PROJECT STATEMENT

(On basis of appropriation and on basis of obligations under available funds)

| Project                                           | 1989<br>Actual | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|---------------------------------------------------|----------------|-------------------|-------------------------|-------------------|
| Rural development loans.....                      | 13,627,962     | \$19,297,000      | +\$10,703,000(1)        | \$30,000,000      |
| Offsetting collections..                          | -1,509,095     | -2,078,342        | -583,432                | -2,628,827        |
| Unobligated balance available, start of year..... | -1,479,739     | -360,872          | -75,362                 | -460,214          |
| Unobligated balance available, end of year.....   | 360,872        | 460,214           | +637,794                | 1,089,041         |
| Total adjusted appropriation.....                 | 11,000,000     | 17,318,000        | +10,682,000             | 28,000,000        |
| Gramm-Rudman-Hollings Reduction.....              | --             | 182,000           |                         |                   |
| Total appropriation....                           | 11,000,000     | 17,500,000        |                         |                   |

Staff-years are reflected on the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

The Human Services Reauthorization Act of 1986, P.L. 99-425, reauthorized the making of loans, out of repayments or other funds made available to the Rural Development Loan Fund, by FmHA. The 1990 and 1991 loan program levels will be made available through unobligated balances, repayments to the fund, and direct appropriations of \$17,318,000 and \$28,000,000, respectively.

Loans will be made to intermediary borrowers (i.e. small investment groups) who in turn will relend the funds to rural businesses, community development corporations, private nonprofit organizations, etc. for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

JUSTIFICATION OF INCREASE

- (1) An increase of \$10,703,000 for rural development loans (\$19,297,000 available in 1990).

Need for change. The Administration supports a federal rural development strategy that complements the work of rural communities. The Intermediary Relending Program provides low interest loans to non-profit organizations who may then leverage other funds for relending to small businesses. These relenders provide extensive services to new rural businesses and enable communities to have a strong voice in the use of FmHA funds.

Nature of change. The program level will provide 27 loans to intermediary relenders in FY 1991.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Rural Development Loan Fund

Intermediary Relending Loans

|                                      | 1989<br>Amount | 1990<br>Amount           | 1991<br>Amount           |
|--------------------------------------|----------------|--------------------------|--------------------------|
| Georgia.....                         | 1,127,569      | --                       | --                       |
| Iowa.....                            | 900,000        | --                       | --                       |
| Kansas.....                          | 750,000        | --                       | --                       |
| Nebraska.....                        | 2,000,000      | --                       | --                       |
| New York.....                        | 1,150,000      | --                       | --                       |
| North Carolina.....                  | 900,000        | --                       | --                       |
| Oklahoma.....                        | 2,500,000      | --                       | --                       |
| Pennsylvania.....                    | 1,000,000      | --                       | --                       |
| South Dakota.....                    | 2,500,000      | --                       | --                       |
| Utah.....                            | 800,000        | --                       | --                       |
| Total, Available or<br>Estimate..... | 13,627,569     | 19,297,000 <sup>1/</sup> | 30,000,000 <sup>1/</sup> |

1/ Cannot be distributed in advance.

FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include language for this item as follows (deleted matter enclosed in brackets):

Compensation for Construction Defects:

[For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, \$500,000, to remain available until expended.]

This change eliminates the appropriation language for this program. No appropriation is requested in fiscal year 1991.



Compensation for Construction Defects

|                                |                 |
|--------------------------------|-----------------|
| Appropriation Act, 1990.....   | \$500,000       |
| Budget Estimate, 1991.....     | --              |
| Decrease in Appropriation..... | <u>-500,000</u> |

PROJECT STATEMENT  
(On basis of adjusted appropriation)

| Project                                           | : 1989<br>: Actual | : 1990<br>: Estimated | : Decrease  | : 1991<br>: Estimated |
|---------------------------------------------------|--------------------|-----------------------|-------------|-----------------------|
| Compensation for construction defects.....        | \$313,816          | \$686,184             | -\$500,000  | --                    |
| Unobligated balance available, start of year..... | --                 | -186,184              | --          | --                    |
| Unobligated balance available, end of year.....   | 186,184            | --                    | --          | --                    |
| Total appropriation.....                          | 500,000            | 500,000               | -500,000(1) | --                    |

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This program is authorized under section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with FmHA financial assistance. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within eighteen months after the date financial assistance was granted.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$500,000 for compensation for construction defects program (\$500,000 available in FY 1990).

Need for Change. The borrowers, with assistance from the Agency, should pursue the contractor to correct any structural or construction defects under the terms of the payment and performance bond or the construction guarantee.

Nature of Change. Better and closer inspection by the Agency should make these payments unnecessary.

Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Compensation for Construction Defects

|                                       | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|---------------------------------------|----------------|----------------|----------------|
| Alabama.....                          | 8,885          | 18,659         | --             |
| Alaska.....                           | --             | 1,000          | --             |
| Arizona.....                          | --             | 1,000          | --             |
| Arkansas.....                         | --             | 1,000          | --             |
| California.....                       | --             | 1,000          | --             |
| Colorado.....                         | --             | 1,000          | --             |
| Connecticut.....                      | 1,200          | 2,520          | --             |
| Delaware.....                         | --             | 1,000          | --             |
| Florida.....                          | --             | 1,000          | --             |
| Georgia.....                          | --             | 1,000          | --             |
| Hawaii.....                           | --             | 1,000          | --             |
| Idaho.....                            | --             | 1,000          | --             |
| Illinois.....                         | --             | 1,000          | --             |
| Indiana.....                          | --             | 1,000          | --             |
| Iowa.....                             | 1,457          | 3,060          | --             |
| Kansas.....                           | --             | 1,000          | --             |
| Kentucky.....                         | --             | 1,000          | --             |
| Louisiana.....                        | 8,545          | 17,945         | --             |
| Maine.....                            | 11,630         | 24,423         | --             |
| Maryland.....                         | --             | 1,000          | --             |
| Massachusetts.....                    | 3,500          | 7,350          | --             |
| Michigan.....                         | 87,844         | 178,716        | --             |
| Minnesota.....                        | --             | 1,000          | --             |
| Mississippi.....                      | 65,396         | 135,910        | --             |
| Missouri.....                         | 25,423         | 53,388         | --             |
| Montana.....                          | --             | 1,000          | --             |
| Nebraska.....                         | --             | 1,000          | --             |
| Nevada.....                           | --             | 1,000          | --             |
| New Hampshire.....                    | --             | 1,000          | --             |
| New Jersey.....                       | --             | 1,000          | --             |
| New Mexico.....                       | --             | 1,000          | --             |
| New York.....                         | 32,019         | 69,156         | --             |
| North Carolina.....                   | 4,887          | 9,774          | --             |
| North Dakota.....                     | --             | 1,000          | --             |
| Ohio.....                             | --             | 1,000          | --             |
| Oklahoma.....                         | 2,890          | 5,780          | --             |
| Oregon.....                           | --             | 1,000          | --             |
| Pennsylvania.....                     | 540            | 1,000          | --             |
| Rhode Island.....                     | --             | 1,000          | --             |
| South Carolina.....                   | 1,170          | 2,340          | --             |
| South Dakota.....                     | --             | 1,000          | --             |
| Tennessee.....                        | --             | 1,000          | --             |
| Texas.....                            | 23,940         | 53,000         | --             |
| Utah.....                             | --             | 1,000          | --             |
| Vermont.....                          | --             | 1,000          | --             |
| Virginia.....                         | 8,900          | 17,800         | --             |
| Washington.....                       | --             | 1,000          | --             |
| West Virginia.....                    | 3,170          | 6,340          | --             |
| Wisconsin.....                        | 14,420         | 28,840         | --             |
| Wyoming.....                          | --             | 1,000          | --             |
| Puerto Rico.....                      | --             | 1,000          | --             |
| Trust Territories..                   | --             | 1,000          | --             |
| Virgin Islands.....                   | 8,000          | 16,000         | --             |
| Total, Available or<br>Estimates..... | 313,816        | 686,000        | --             |



FARMERS HOME ADMINISTRATION

The 1991 Budget Estimates include language for this item as follows (deleted matter enclosed in brackets):

Self-Help Housing Land Development Fund:

[For direct loans pursuant to section 523(b)(1)(B) of the Housing Act of 1949, as amended (42 U.S.C. 1490c), \$500,000 shall be available from funds in the Self-Help Housing Land Development Fund.]

This change eliminates the authority to make direct loans for this program. No authority is requested for fiscal year 1991.

Self-Help Housing Land Development FundOn Basis Of Loan Levels

|                               |                 |
|-------------------------------|-----------------|
| Program Loan Level, 1990..... | \$500,000       |
| Program Loan Level, 1991..... | --              |
| Decrease in Loan Level.....   | <u>-500,000</u> |

PROJECT STATEMENT

(On basis of program level and on basis of obligations under available funds)

| Project                                           | 1989<br>Actual | 1990<br>Estimated | Increase or<br>Decrease | 1991<br>Estimated |
|---------------------------------------------------|----------------|-------------------|-------------------------|-------------------|
| Mutual and self-help housing site loans...        | \$ 500,000     | \$ 500,000        | -\$500,000(1)           | --                |
| Unobligated balance available, start of year..... | -2,924,324     | -3,475,547        | +302,000                | -\$3,173,547      |
| Offsetting collections..                          | -1,049,223     | -198,000          | -151,000                | -349,000          |
| Recovery of prior year obligations.....           | -2,000         | --                | --                      | --                |
| Unobligated balance available, end of year.....   | 3,475,547      | 3,173,547         | +349,000                | 3,522,547         |
| Total appropriation....                           | --             | --                | --                      | --                |

Staff-years are reflected in the Salaries and Expenses Project Statement.

EXPLANATION OF PROGRAM

This revolving fund is authorized under Section 523 (b)(1)(B) of the Housing Act of 1949, as amended. The fund is used for making loans to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to eligible families, nonprofit organizations, and cooperatives.

Justification of Decrease

- (1) A decrease of \$500,000 for the mutual and self-help housing site loan program (\$500,000 available in FY 1990).

Need for change. This program is proposed for termination. There has been little or no demand for this program throughout the years. Families eligible to be assisted under this program may request assistance under other programs of the Agency, such as, the Rural Housing Voucher Program and the Section 521 Rural Rental Assistance Payment Program. Both programs offer a more efficient and at the same time a greater choice of housing alternatives to eligible families.

Nature of Change. No program is requested for FY 1991.



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Farmers Home Administration  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1989 and Estimated 1990 and 1991

Self-Help Housing Land Development Fund

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|                                         | 1989<br>Amount | 1990<br>Amount | 1991<br>Amount |
|-----------------------------------------|----------------|----------------|----------------|
|                                         | <hr/>          | <hr/>          | <hr/>          |
| California.....                         | 500,000        | --             | --             |
|                                         | <hr/>          | <hr/>          | <hr/>          |
| Total, Available or 1/<br>Estimate..... | 500,000        | 500,000        | --             |
|                                         | <hr/>          | <hr/>          | <hr/>          |
|                                         | <hr/>          | <hr/>          | <hr/>          |

1/ Distribution cannot be determined in advance



## PASSENGER MOTOR VEHICLES

The 1991 Budget Estimates do not propose a change in the number of passenger motor vehicles.

The passenger motor vehicles of the Farmers Home Administration are used primarily by the County Supervisors in the Pacific Trust Territories and Guam for the performance of their daily work. None of the vehicles are used in the 50 United States or Washington, D.C. The vehicles are used in areas where privately-owned vehicles and common carrier facilities are either non-existent, uneconomical, or inadequate due to the nature of the travel which requires a high degree of mobility with frequent stops at rural housing sites and farm properties. FmHA personnel are required to inspect and appraise homes and farms on which loan applications are pending. They also must visit various properties frequently to perform loan servicing activities.

Passenger motor vehicles are not assigned to one individual exclusively and are at locations where more than one employee has a need for them. This allows several employees to use a single vehicle and minimizes the number of vehicles and maintenance costs.

Age and mileage data for Farmers Home Administration passenger motor vehicles on hand as of September 30, 1989, are as follows:

| <u>Age-Year<br/>Model</u> | <u>Age Data</u>               |                             | <u>Lifetime<br/>Mileage<br/>(thousands)</u> | <u>Mileage Data</u>           |                             |
|---------------------------|-------------------------------|-----------------------------|---------------------------------------------|-------------------------------|-----------------------------|
|                           | <u>Number of<br/>Vehicles</u> | <u>Percent<br/>of Total</u> |                                             | <u>Number of<br/>Vehicles</u> | <u>Percent<br/>of Total</u> |
| 1985                      | 2                             | 67                          | 20-30                                       | 2                             | 67                          |
| 1986                      | <u>1</u>                      | <u>33</u>                   | Under 10                                    | <u>1</u>                      | <u>33</u>                   |
| Totals                    | 3                             | 100                         |                                             | 3                             | 100                         |
|                           | =                             | ===                         |                                             | =                             | ===                         |







